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ABSTRACT

The document consists of 12 consumer education units for grade 12: Consumer Purchasing; Purchasing Food, Clothing, Furniture, and Appliances; Purchasing and Maintaining an Automobile; Housing; Consumer Credit; Money Management; Fraud, Quackery, and Deception; Banking and Savings; Investments; Life Insurance; Security Programs (Social Security, Medicare, and Medicaid); and Consumer Law. Individual units contain (1) economic concepts and understandings; (2) related vocabulary; (3) economic attitudes/abilities to be developed; (4) class activities (appropriate individual/small group/large group activities and projects, suggested assembly programs, and possible resource people); and (5) bibliography (books, periodicals, pamphlets, audiovisual materials, information sources, and sources of free materials). (EA)

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TEACHING AIDS

IN

CONSUMER ECONOMICS

1970-71

Correlated With The

New York State Education Department's 12th Grade Guide In

Consumer Education

These units were prepared at a workshop of the New York State Council on Economic Education and the Albany Center for Economic Education. This publication is by the NYSCEE Consumer Economics Committee and published through a grant by the Sears Foundation.

Consumer Economics Committee

Martin Rosen, Chairman
Gladys Buell
Margaret Carey
Carl Colton
Fabian Englander
John Holmes
Gustave Mueller
Barbara Pollack
Gladys Smith

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Price - $ 1.

- T A B L E O F C O N T E N T S -

Each of the units are composed of the following:

I. Economic Concepts
II. Suggested Vocabulary
III. Economic Attitudes and Abilities
IV. Activities
V. Bibliography

CONSUMER PURCHASING..... 1

PURCHASING FOOD, CLOTHING, FURNITURE AND APPLIANCES..... 14

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I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. The Market System
2. Consumption

B. Understandings

1. The Market System
   a. Demand and Supply
      (1) Demand is a willingness to buy (desire and ability to pay.)
         (a) Demand is influenced by tastes and preferences, income, environmental factors, family size, and price of competing products.
      (2) Supply is a readiness to sell.
         (a) We assume that a seller knows his costs, resource prices, technology and market conditions.
      (3) Interactions of supply and demand determine price in a free market economy.
      (4) Man's wants are ever-expanding and unlimited while resources are limited.
      (5) The price system acts to ration the available goods and services of the economy.
   b. Competition
      (1) Competition may take several forms (price, services, innovations, improvements, differentiations, etc.) and, in general, tends to help the consumer.
      (2) Competition tends to result in the development of better products to be purchased.
   c. Profit
      (1) The Profit Motive is an inherent part of our economic system.
      (2) Price must be above the average total cost of production to allow the producer to make a profit.
   d. Artificial Market Restraints
      (1) Conditions limiting competition generally force higher prices on consumers.
      (2) Quality and technological progress may suffer where competition is lacking.
      (3) Non-price competition exists when there are few sellers. Competition may exist in form of give-aways, coupons, etc.
      (4) Fair trade laws restrict price competition.
   e. Income
      (1) Money income is received by the individual in return for productive services in the form of wages, interest, dividends, rent, and profits.
      (2) Real income determines the standard of living of the workers.
      (3) Increases in "money income" can be undermined by inflation or made greater by deflation.

(4) The cost of living index is a statistical measure of changes in the level of prices of consumer goods and services compared to a base year.
(5) There has been a trend in the United States toward greater equality in income distribution, but there is still a substantial number of poor.
(6) A buyer spends income to maximize his happiness or benefits per dollar of expenditure for a given time period.
(7) Opportunity costs are encountered when purchasing. This cost is measured in terms of alternative opportunities to buy other goods and services.

2. Consumption

"Producers propose, consumers dispose." - There are many motivational reasons why individuals buy particular goods, but certain patterns of consumption can be seen as characteristic.

a. Advertising
(1) Besides societal patterns, advertising plays an important role in shaping consumer demand.
(2) Advertising takes many forms and is transmitted continuously - much of it has to be taken "with a grain of salt."
(3) A wise consumer may benefit from a selective use of promotional devices (discounts, loss leaders, etc.)

b. Income - The income available to the individual also plays an important role in consumer decisions.

c. Giveaways - Trading stamps are promotional devices for which the consumer ultimately pays.

d. Needs and wants -
(1) A "need" is a good necessary for the consumer.
(2) A "want" is a desire for goods which could be done without.
(3) The purchaser has a right to select and buy what will satisfy his needs and wants.

e. Production Differentiation
(1) Products should be compared not only by price, but also by quality and service.
(2) Many producers have been able to differentiate their products in the minds of the consumer - the wise consumer should find out the true differentiation which actually exists.
(3) Many products have similar ingredients, but price may vary, i.e. aspirin.

f. Saving - is the decision of the individual to defer consumption to some later date. This decision may be motivated for various reasons such as security or the expansion of money assets for a large purchase.

g. Long vs. Short Consumer Decisions
(1) Various institutions and methods exist which allow the consumer to purchase goods over a long period of time thus lessening the short-run restraint income has over current consumption.
(2) Care should be taken to insure gaining low interest rates and avoidance of too much debt given the particular prospectives for future income.

h. Consumer Aides - The advice of those competent to give legal, financial, and other counsel should be sought before contracts are signed and is well worth paying for.

(1) As technology and the complexity of products grow, the intelligent consumer must turn to outside help in decision making.

(2) Various agencies exist which act upon complaints of consumers who feel they have been cheated.

(a) Consumer organizations provide information concerning quality and service ability of tested products.

(b) Some industries and many individual manufacturing concerns set up their own standards of reliability.

(c) The various levels of government in the United States have been involved in aiding the consumer through such factors as grading of food, preparation of drugs, safety standards, etc.

(d) Warranties and guarantees are promises of performance and quality of goods and services. Warranties should be examined carefully before purchase.

II. SUGGESTED VOCABULARY

A. The Market System

Supply
Demand
Free and Economic Goods
Resources
Competition
Price
Proprietorship, Partnership
Corporation
Price Fixing
Cost of Production
Retail, Wholesale, Cooperatives
Profit, Loss
Income, Wages
Consumer Price Index
"Caveat Emptor"
Medium of Money
Consumer Sovereignty
Inflation, Deflation
Opportunity Cost
Fair Trade Laws

B. Consumption

Needs
Wants
Advertising
Buying Habits
Value
Utility
Brand Names, Trademarks
"Private Brands"
Discounts, "Leaders", "Sales",
Trading Stamps
Product Differentiation
Conspicuous Consumption
Consumer Durables
Saving
Installment Buying
Consumer Aids
Standards
Guarantees
Warranties
Labeling
List Price
Retail Price

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. There may be a better use for the money than the purchase in question (opportunity cost).
2. Purchases must be kept within the range of the family's budget.
3. Advertising attempts to change one's desires or demands and create artificial desires and stimulate the consumer to buy.

B. Abilities to be developed:

1. Pay attention to prices. You will never recognize a good buy until you know what you usually pay.
2. Cash in on loss-leaders. Loss-leaders are articles priced at cost or below in the hope that the consumers will buy other goods when they visit the store.
3. Shop the "weekend specials". Weekday prices average 5-7% higher than weekends.
4. Time the purchase right. It is not just what you buy that helps you save; when you buy makes a difference too.
5. Pay bills promptly. Paying bills in advance or on time often results in additional savings.
6. Forecast bargains and make purchases at these times.
7. Figure price per unit.
8. Know the product.
9. Know under what conditions it is wise to buy on credit.
10. Read ads carefully and wisely.
11. Understand the guarantee and/or warranty.
12. Shop for a loan to secure the best terms before buying an expensive article.
13. Realize that the purchase of a home is a tremendous investment.
14. Recognize circumstances where it is wise to purchase the well-known brands and others where preference should be given to "private" brands.
15. Understand that intelligent shopping may produce the same results as increase in income.

IV. ACTIVITIES

Each section of this unit is like the strands of a ribbon. That is, although important, they do not stand for as much alone as they do together. The unit as a whole is thus like a flexible ribbon. This ribbon could be and should be entwined among the other units of Consumer Economics to reinforce them and show connection.

A. Assembly Programs

Some topics may be of interest to the entire student body while others may be of interest to a select group because of the specialized nature of the topic or the background of the students. The teacher may determine that certain resource persons have such valuable information that the school as a whole may benefit from the program offered.

Students themselves can put on assembly programs by means of skits, panels, and slides prepared by students as they present the data collected in field research. Students might, for example, present a program on the merits of advertising and the need for advertising as well as how to analyze the copy, art and media. Not all students will be sophisticated enough to handle a project like this, but it will be a real challenge to the better student.

B. Individual Projects

1. Interviews of local businessmen - (sample questions and sample interviews):
   a. Ask a local radio station manager how he determines who will buy his time and at what price. How is the placement of the advertising in the program decided? What ethics are accepted in advertising?

b. Ask a local newspaper advertising manager how he sets up ads, how the art work is done. What limitations does his paper have for doing displays (such as color imitations)? What are the ethics involved in accepting advertising?
c. Ask the art department manager of a packaging division who designs the packages, what information must be shown, the role of color, how and why packages change their design.
d. Ask a local merchant how he goes about deciding which media to advertise in, the cost of advertising in each. How can he determine the sales per dollar spent on advertising (this would set him thinking)? Why do some items go on sale? Can you tell a returned item by the ticket system or does the item have to be reticketed? Why must prices be changed? What happens to returned goods that can no longer be sold, or goods that haven't been sold, or goods that haven't been sold and are too old to sell?
e. Ask Welcome Wagon representatives how their organization works. How do they get merchants to contribute presents to the new members of the community? How do they find out who is new in town? What are some of the interesting questions asked by newcomers?
f. Ask a consumer cooperative representative to explain the operations of co-ops.
g. Ask a public relations person from a local department store to outline his job. Why is public relations important? What is the difference between public relations and sales promotion?
h. Ask a testing agency who pays them. How do they choose the items to test? How do they determine standards? Where do they get people to test products and serve as a panel?
i. Ask a congressman about the "truth in packaging laws." How will they affect production? How will the law be enforced? Why does such a bill take so long? What are the problems of drafting such a bill? (Consumer Affairs Council, Chamber of Commerce).
j. Better Business Bureau or similar agency--ask about interesting cases of interesting advertising and how and what was done to contact such an agency.

2. Comparison Shopping (sample of possible comparison shopping situations):
a. Compare prices of weekly grocery sales of various super markets listed in newspapers for like items.
b. Choose an item and price it in various stores, e.g. GE and Westinghouse irons. Compare features and prices.
c. Compare service features for a washing machine or a similar item that may need repairs or adjustment. Service may vary between brands and/or seller.
d. Compare the flavor of brand X and a nationally known product.
e. Compare packaging of similar products. Judge for eye appeal, protection of contents, etc.
f. Compare advertising appeals of similar products.
g. Keep track of prices of items that usually change and see what happens to the price when it goes on sale and then after the sale. Plot the price structure.
h. Use mail order catalogs to compare prices of mail order firms. Also note postage and service charges. Compare prices with those in retail stores.

i. Compare prices of finished goods with do-it-yourself goods, keeping in mind the value of your labor and the satisfaction of being creative. Compare home made, factory made sweaters as to price and quality.
j. Compare prices of sporting goods as sold in discount stores, department stores, and sporting goods speciality stores. Also compare service and quality.
k. Using a magazine such as Consumer Reports, check out the merits of their tests.
l. Compare meat prices and what these meats could be made into. Compare the cost per meal.
m. Compare prices of various sizes of several brands of similar products. (Juice, soup, powder, etc.)
n. Compare the price of frozen foods during the season with the price of the fresh item. Then compare the frozen price to the fresh price out of season.
o. Compare the ingredients of various brands of similar items.
p. Compare gasoline of various brands and their octane rating.
q. Survey shopping habits of parents and friends.
r. Compare interest rates for installment buying for similar concerns.
s. Compare the ratings given on three identical items by Consumer Reports and the Consumer Bulletin. Note the way in which the reports are similar and how they differ.

C. Small Group Projects

1. Dramatizations to illustrate several points:
The teacher might use advertising as the theme. Here the group should take a current ad, break it down, and then run through the sales pitch for it. A dramatization of a TV commercial is always interesting. Helpful statements could be analyzed.
2. Posters:
It is advisable to use the imagination of the students. Let them pick an area and confine posters to a given theme. Tell them it can be humorous or serious. Prizes can be awarded for the best posters.
3. Polltaking:
Have a small group check their parents and friends on a certain new product that has been put on the market, i.e. soap or cereal. You can also get the fellows interested in new cars. They will be glad to poll people as to whether they are going to buy a car and why they favor a particular model or color. Other polls can be taken regarding hi-fi's and other appliances. It is advisable not to make questions too long or too detailed. People can also be polled on their attitude toward new consumer legislation which may be pending in the legislature.
4. Analysis of advertising:
a. In the analysis an ad should be taken apart primarily from the standpoint of the consumer and not from the advertiser's standpoint. Some things to look for are:
    1. Is the ad truthful?
    2. Is the copy honest and to the point?
    3. Does copy lead you into wishful thinking?
    4. What is the company's reputation?
    5. Does it sound like it's plausible?

6. Is the price competitive? Does the product have warranties given or implied?
7. What do the competitors say about their product?

5. Investigation of legal protection or restrictions for consumers:
   a. A group can contact the county Agricultural Representative to find out what legal protections are available for consumers buying farm products. It is quite possible he will also have information on a good many consumer products such as auto, insurance, etc.
   b. A group can contact the County District Attorney's office. He will be glad to explain the workings of the small claims court or the justice of the peace courts where some claims are settled. It will be interesting to have him tell the group about the average length of time before a case is heard and if possible the range of costs to county and contestants. A Mock Court can also be used as a motivating idea. One should take a case, then let the students act as the officials, witnesses, and the jury.
   c. In the area of assistance for the consumer, students can check the Better Business group. The Chamber of Commerce will also have merchants who are willing to speak to groups. Other merchants' organizations will also be able to help with speakers. If your community has a powerful labor union they may have a publicity or public relations person who will be glad to help.
6. Debates - This is an area that really gets the whole school excited if done dramatically and well. Suggested themes are:
   a. Should wealth be distributed more evenly?
   b. How should taxes be levied to be more equitably distributed over the population?
   c. Is the small businessman here to stay?
   d. Should we have more control over consumer packaging and labeling?
7. Research - The way in which people spend their money is often an indicator of their shopping and personal values. Suggested topics:
   a. What are the goods and services on which the American consumers spend their money?
   b. Possible answers may be found in the personal consumption expenditures tables of the recent issue of Survey of Current Business, published by the U.S. Department of Commerce.
   c. Conclusions from the table may be arranged in the form of percentages of the total spent.
   d. Help students by discussion of the findings to draw their own conclusions regarding the things the American people consider most important in life.

D. Large Group Activities

1. Field Trips
   a. Preparations needed:
      (1) Preview locale to determine which places would be most beneficial to group learning.
         (a) If they already have a tour set up, check it and see if it meets your needs.
         (b) Contact these places and see if they are willing to give tours.

(c) If they do not ordinarily give tours, discuss type of tour needed and make the necessary arrangements.

(2) Once the tour site is decided upon:
   (a) Obtain permission from school, parents, and other teachers who may be affected by trip scheduling.
   (b) Find out the general background of the company to be visited, correlating the trip to areas being studied.
   (c) Arrange specific plans for the trip such as number of students, date, time of arrival and departure--let both students and company know of these plans.

(3) Questions concerning topics or areas being shown on the trip:
   (a) Determine the questions that pertain to topic and prepare both the students and the guide.
   (b) Orient the group to the significance of what is to be seen, and some of the main items for which to look.
   (c) If possible, tell students the name and position of the person or persons responsible for doing the guiding.
   (d) Inform the guides of the type of class and the class interests before the trip so that he can incorporate these interests into his program.

b. Follow-up procedures desirable:

(1) A short resume or critique of the trip either formal (assignment to be oral or written out by student) or informal (listen to students talking among themselves).

(2) Make a summary of the trip and point out the areas that students may have missed emphasizing for the highlights of the trip, in order to reinforce these points in the minds of the students. Students' positive or negative comments should be helpful in planning future trips with this group or others.

(3) Appoint a member of the class to write a thank you letter to the people in charge of the tour from the class. The teacher should proof the letter.

E. Use of Resource Person

1. The speaker may stimulate group interest to such an extent that the students wish to see and hear more about this topic. It may be possible that the speaker will stimulate enthusiasm for a field trip. For example, a home economist may discuss points to look for when buying clothes. A field trip might then be planned to a clothing factory or a large retail or wholesale clothing establishment. This trip might be made when the class reaches the "Purchasing Food, Clothing, Furniture, and Appliances" section of the course.
2. Brief the resource person on:
   a. The topic. Pick only people competent in the areas of interest and used to public speaking.
   b. Number of students, age, and level of understanding.
   c. Approximate time to deliver talk allowing five or ten minutes for question period.
   d. Time, date, hour, room, and general rules of the school involved.
3. Brief the class on:
   a. Background of the individual and his corporation.

b. Introductions: Appoint a member of class to introduce him to the group. The student will need help on this assignment from the teacher.
c. Have the group make up key questions that they would like to have answered.

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How American Buying Habits Change, U.S. Dept. of Labor, Government Printing Office, Washington, D. C. 20402.

How to Be Well Dressed, International Garment Workers Union Label Dept., 1710 Broadway, New York, N.Y. 10019.

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Purchasing a Home, Small Homes Council, University of Illinois, Urbana, Ill.

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Your Shopping Dollar, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601.

D. Sources of Free Materials

The following organizations offering free materials are just a select few of countless sources of free, informative literature. For each, an example is given as to the type of materials that is available from the particular institution.

Advertising Federation of America, 655 Madison Avenue, New York, N.Y.
Some Questions and Answers About Advertising

AFL-CIO, Washington, D.C.
It's What's Inside That Counts

Chamber of Commerce of the United States, 1615 H Street, N.W., Washington, D.C.
The Power of Choice

Consumer Union Publications, Education Service Bureau, Mount Vernon, N.Y.
Consumer Education for Low-Income Families

Federal Reserve Bank of Philadelphia, Publications Division, Philadelphia, Pa.
The Price System, Unemployment in Prosperity - Why?

Institute of Life Insurance, 277 Park Avenue, New York, N.Y.
The Search for Economic Security (#173)

New York State Dept. of Commerce, 112 State Street, Albany, N.Y. 12207.
Reference Book of State Services to the Consumer

New York State Petroleum Council, 142 State Street, Albany, N.Y.
Teacher Resource Reference: A Catalog of Free Classroom Materials for Use in Grades 7-12

Sears Roebuck and Company, 1425 Central Avenue, Albany, N.Y. 12205
A Sample Set of Hidden Value Booklets

United States Post Office Department, Washington, D.C.
Mail Fraud Bulletins

E. Films

Bureau of Advertising — 18 min. — color
Newspaper ROP Colorwork. Food, automobile, soft drink, gasoline Information on campaign results.

American Thrift — 25 min — color — 16mm S.
Jam Handy Organizations. Fundamentals of American Economics

Budget or Bust — 30 min.
Script. National Committee for Education in Family Finance. Two act play. Personal and family money management - family that is always "broke" and what they do about it. Six characters - high school level.

Consumer Protection — 11 min.
Coronet Instructional Films

The Consumers' Side: Demand — 28 min. each
Parts I and II. Part I explains as simply as possible the way the economist analyzes demand, thus preparing for the supply and demand analysis.

Consumers Want to Know — 20 min.
Consumers Union Film Department

Directing Your Dollars — 15 min.
Modern Talking Pictures Service. Describes the money problems of three high school students in connection with the senior prom; shows how personal values and goals are related to money management.

Home Management: Buying Food — 12 min. — b & w
Explains the basic elements of good buying. Discourages "Impulse" buying and discusses quality buying, proper understanding of the descriptive labels on canned goods, pros and cons of seasonal buying and guiding factors in buying meats.

Home Management: Why Budget — 12 min. — b & w

Points out the characteristics and advantages of good budgeting by showing how a bank official, a day laborer, and a stenographer share a common problem - the management of money so that they can buy what they want and need.

Installment Buying — 11 min. — color

When Dr. Harris needs new furniture for his waiting room, he investigates the installment plan. He learns about dangers to avoid, his own ability to pay, and the fairness of the installment terms.

The Most For Your Money — 14 min. — b & w

Illustrates the inherent faults in unplanned, impulsive buying and suggests the proper procedures for making important purchases.

Personal Financial Planning — 11 min. — color

A personal financial plan is a part of successful money management.

Your Family Budget — 11 min. — color

Shows a family planning a budget and designating specific jobs for each member. Stresses the advancement made by working and planning together.

Wise Buying — 11 min. — color

Coronet Instructional Films. Suggests the desirability of making better use of money by planning carefully and spending wisely. Asks and suggests answers to four questions which form the basis for wise buying.

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Purchasing
2. Opportunity Cost
3. Competition
4. Government Regulation
5. Advertising
6. Consumer Goods

B. Understandings

1. Purchasing
   a. The American consumer today (as mentioned in Unit I - Consumer Purchasing) has a chance to choose among many different kinds of goods but this situation is also a challenge to make the right choice and to get the most for his money.
   b. The amount of money you have to spend - individually or as a family, sets definite limits on the things you may have. Whereas the seller attempts to maximize his profit, the buyer should attempt to maximize his benefit or satisfaction for every dollar spent through intelligent and selective buying. (1) Careful budgeting results in the wisest spending.
   c. Generally price is involved with quality, quantity, service, and uniqueness; however, a high price does not automatically insure high quality nor does a low price automatically mean an inferior quality.
   d. "Bonus" items added to a product may actually be an expense to the consumer.
   e. Be aware that the cash customer pays just as much very frequently as the regular charge account customer.
   f. The consumer should be alert to unethical practices.
   g. In deciding where to buy, one should be concerned with customer service, price range, accessibility, selection or variety, and store image.
   h. Consumer testing organizations are helpful and reliable guides. They may be government, private non-profit and/or commercial.
   i. The consumer should question certification and labels that are unfamiliar and/or inadequate. The consumer should be familiar with certification such as UL; USDA; USP, etc.
   j. The consumer may have to experiment in finding the brands, labels, and certifications upon which he may depend.
   k. A person's standard of living changes with income. Variation in standards of living make everyone's approach to purchasing food, clothing, furniture, and appliances different.
   l. When a consumer purchases expensive goods and services to impress others rather than for the utility they embody, he is engaging in the wasteful practice of conspicuous consumption. When he purchases cheap imitations of luxury items to simulate the wealthy, he is practicing pecuniary emulation.
   m. It is desirable to choose shopping time as carefully as one chooses the products themselves. (e.g. August and January white sales, back-to-school sale, pre-inventory sale).

n. In deciding what to purchase, one should be aware of fashions, and that many enjoy a brief popularity, and quickly fade from sight.

o. Buy in the right price line. In general, it is wise for the average consumer to avoid both the cheapest model and luxury lines. Goods of the cheapest model may be of poor workmanship; the luxury items, over priced.

p. Often a bigger package is more economical than a smaller one, i.e. the 75 cent tube of toothpaste may contain ten times as much as the 35 cent size.

2. Opportunity Cost (Alternative Cost)

a. Whenever a good or service is purchased the buyer has reduced his ability to purchase other goods or services.

b. The cost to the buyer, of his purchase, is really any of the other items he might have bought.
i.e. The opportunity cost of a date to a high school senior might be the fancy hub-caps he wanted and could have bought, if he had not spent $ 15. on a prom ticket.

c. The consumer having many needs and wants must often decide which to fill and which to postpone or ignore completely.

3. Competition

a. Free competition, when operating at its best, motivates the businessman to do all he can to give the public lower prices, better service, higher quality goods, and more efficient service, methods of production, and distribution.

b. When heavy competition prevails, business rivals develop better products and services, or become more efficient in order to lower costs.

c. Under competitive conditions the most efficient producers are rewarded with the biggest profits, while the least efficient producers lose their customers and usually are forced out of business.

d. An oligopoly i.e. "Big Three" in automobiles and "Big Four" in rubber tires, linoleum, tin cans, and cigarettes, changes the mode of competition, since serious barriers to entering the market exist, and little attempt is made to bring about changes in price, particularly in lowering price. Although it is difficult to differentiate between products like tin cans, copper, steel, there is an attempt to do so where ever possible through advertising, i.e. style, color, prestige, etc.

e. The absence of free competition may result in various types of monopoly, i.e. postal system, trade-marks, patents, copyrights, almost exclusive ownership of certain natural resources (public utility), labor organizations, pools, trust holding companies, consolidations, etc.

f. Competition may benefit the consumer through lower prices - thus increasing real income.

g. Wise consumer buying tends to influence the quality of merchandise furnished by the producer.

4. Government Regulation

a. Our economy is sometimes called a mixed economy: partly free and partly regulated according to the instructions of the people.

(1) The instruction of the people is expressed when they cast their political votes in favor of laws that give government the authority to intervene in the operation of our

free enterprise system.

(2) For example, some states have laws that establish the minimum standards for processed foods.

b. Protecting the public against food, drugs, etc. which threaten health is a task that cannot be done by state and local action alone.

c. Concern for protection of the consumer is shown by business - Better Business Bureau; Trade Association; Underwriters Laboratories by the government -FDA: National Bureau of Standards; Grading Program; state and local health departments, federal, state, and local offices for Consumer Affairs; and by the consumers themselves - Consumers Research, Inc., and Consumers Union of the U.S., Inc.

d. Under our system control of Interstate Commerce is entrusted to the Federal Government; thus only the national government can prevent undesirable goods from being shipped into other states.

(1) Government mandatory standards should be known to the consumer in regard to health guards, labeling information, sanitation, deception, and standards of fill, identity, and quality.

e. Product information from the General Services Administration, National Bureau of Standards, Defense Department, and Veterans Administration, if made available, would help the consumer to make wiser choices.

f. Government grading does not refer to nutrition but to quality or fanciness and should be carefully distinguished from the individual producers' grading.

g. Sanforized is a patented name for a shrinkage control process.

h. The U.S. symbol for grade labeling is a shield.

i. Many canning and meat companies exceed the minimum standards set by the government.

j. The Federal Trade Commission acts as a "referee" in enforcing the rules established by Congress, among firms selling to the public. Its chief tools are industry-wide conferences and "cease and desist" orders.

5. Advertising

a. Advertising is used to introduce new products, to present new uses of old products, and to keep the product name before the consumer.

b. Advertising has been subject to a variety of criticisms. One must, however, realize that properly used, it can benefit buyer and seller alike.

c. The use of such words as guaranteed, warranteed, and certified, loosely used are of no benefit; they must be applied specifically. Be wary of the deceptive use of such terms as: made-to-sell-for, comparable values, list price, and deceptive packaging terms.

d. Private business and the government have both attempted to police advertising.

(1) Business had employed self regulation.

(2) The Federal Government operates primarily through the Federal Trade Commission.

e. Good Housekeeping and Parents Magazine test products for which advertising space is purchased; the acceptance may not mean the

product is the best. Consumers Union restricts advertisers' use of its findings.

6. Consumer Goods
   a. Food
      (1) The highest percentage of income is spent on food. This percent decreases proportionately to an increase in income.
         (a) The proper budget of food money should result in the highest nutritional value per dollar expended.
      (2) The family of the low middle class and the low income groups do not eat as well because the most nutritious foods are the most expensive.
      (3) Good shopping hints
         (a) To make a comprehensive weekly market order you need a well planned menu derived from the provisions on hand and weekly advertised specials (e.g. loss leaders).
         (b) Use promotional coupons to effect savings.
         (c) The time of day is an important factor in shopping. (Shop on a full stomach and without the children).
         (d) Be aware of producer and storekeeper psychology. (e.g. rotation of stock, placement of goods, size, packaging).
         (e) Less expensive cuts of meat when properly prepared give the highest nutritional value in proportion to their dollar outlay.
         (f) Buy graded products according to use.
         (g) Compare contents of private brands with those of brand names. Read and compare ingredients and weights on labels realizing that the ingredients are listed in the order of decreasing percent of content.
         (h) Providing you have proper storage facilities and can use that quantity of goods, buy in quantity if there is a money saving.
         (i) Careful reading of labels will help you understand the hidden values of the goods you buy. The label will usually indicate what preservatives and other foreign substances have been added to foods.
         (j) Give attention to possible warnings stated on a commodity; if they are not followed properly, your family's health could be endangered.
      (4) Price variations in foods depend on the season, the type of food, and the amount of preparation done by the processor.
   b. Clothing
      (1) Carefully selected appropriate clothing creates a mental attitude and reflects an individual's personality.
      (2) Proper grooming enhances employment opportunities and social acceptance.
      (3) Among the factors influencing choice are: money resources, shopping sources, environment, social requirements, and personal preference.
      (4) Wise buying and smart shopping require an awareness and understanding of: fabrics - their characteristics and properties; garment construction and design; cost and function.

(5) Since our expenditures for clothing constitute an important part of disposable personal income, it is important to intelligently care for clothing. This practice will help to maximize consumer satisfaction, save money, and prolong the use of clothing.

(6) The lesson for us as consumers is that buying the new and extreme styles is sometimes costly and wasteful.

(7) A wise policy is to buy simple or "basic" styles. This will help assure you that the major cost to the producer was for material and construction.

(8) Simple clothing is easier to match with other items in your wardrobe.

(9) The size designation given on labels has never been well standardized. The best combinations to indicate size are measures of height and weight.

c. Furniture and Major Appliances

(1) The next largest initial expenditure, after the purchase of a house, is the furnishing of a home (house or apartment).
Extreme care and foresight should be exercised in the selection of these durable goods to assure the maximum satisfaction for the greatest length of time.

(2) It is advisable to select a style of furniture conservative enough to be used in a changing environment and durable enough to withstand hard wear. Let inexpensive accessories which can be changed, supply the decorative flair. Furniture with simple lines usually fits in well with other features in a room, such as rugs, drapes, etc.

(3) Comparison shop at several reputable, dependable, well established and knowledgeable dealers on whose advice you can rely. From the many suggested styles select those which best suit your needs, desires, and budget.

(4) As always, careful maintenance of a product prolongs its life and usefulness. A small expenditure in this direction may prevent unnecessarily large outlays of money in the future.

(5) Save all furniture and appliance tags and guarantees; they may provide helpful instructions for: cleaning; removing spots; factory numbers - for extra material, etc.

d. Small Appliances

(1) The purchaser of appliances faces many problems:
(a) The large variety of similar items is confusing for the consumer in making a wise monetary selection.
(b) The majority of kitchen appliances duplicate services already supplied by existing large appliances.
(c) There is a high percentage of defective products offered on the market (24-40 billion dollars of GNP is defective).

(2) Before making an investment in a product, a buyer should carefully consider the following factors: intended use; product quality; initial cost; and operating costs.
(a) Distinguish between utility and luxury.

(3) Problems of maintenance:
(a) Repair services available are often inadequate - only 10% of the population has any idea how to deal with these defects. Therefore, it is wise for the consumer to deal with a dependable firm with trained repairmen.

(b) The purchase of a small appliance should be considered in terms of real cost which includes initial cost plus the cost of maintenance.
(c) Directions for proper operation and maintenance of an appliance may help to use it more effectively.
(d) One should have a clear understanding of the specific guarantees and warranties offered which may reduce the cost of ownership.

II. SUGGESTED VOCABULARY

purchasing
impulse buying
quality
quantity
cost
hidden cost
pecuniary emulation
conspicuous consumption
homogenized
pasteurized
planned obsolescence
Interstate Commerce
"cease and desist" orders
brand names
private brands
hidden values
mixed economy
grading
oligopoly
list price
comparable value
sanforized
pre-shrunk
color fast
meat grades
U.S. prime
U.S. choice
U.S. commercial
U.S. utility
U.S. canning

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Proper maintenance prolongs the life of durable goods.
2. Good shopping begins by planning purchases at home.
3. Special dietary needs of family members should influence foods you buy and serve.
4. In taking advantage of special sales, one would consider the cost of shopping trips in evaluating the money saved.
5. One should be aware of the advertiser's role in consumer motivation.
6. One should be wary of the easy credit sales pitch.
7. If consumers make wise choices of the things they buy, they help drive shoddy goods off the market and persuade businessmen to produce and sell merchandise that will give the greatest benefits to the consuming public.
8. Avoid imitating the buying habits of neighbors. When one spends in this manner, display takes the place of quality, and one is less likely to get his money's worth.

B. Abilities to be developed:

1. Mathematical ability to extend and add bills, to compute simple interest, and to figure true installment buy and cost.
2. Recognition of reliable certification and labels.
3. Awareness of necessity of reading and understanding commitments in contracts.
4. Ability to organize a flexible budget to correspond with one's standard of living.

5. Understanding of the relationship between quality and price and the purchasing of worthwhile durable goods.
6. Consult the publications of testing organizations and other agencies designed to aid the consumer before making major purchasing commitments.
7. Test and compare as a basis for determining reliable goods.
8. Awareness of printed consumer information and services.
9. Watching the scales and the cash register help in preventing mistakes which may be costly.
10. Awareness that the section of the country and the area (rural or urban) where one lives, the season of the year, the types of stores where one shops, affect food prices and consequently one's budget.
11. Analyze whether "frills" such as color or extra chrome are worth the added expense.
12. Alertness to current consumer report sources regarding availability and prices of products.

IV. ACTIVITIES

A. Individual Activities

1. Have each student make a personal budget based on his personal income and expenditures.
2. Have each student plan his spending for the junior prom. After budgets have been drawn up, a class discussion can follow comparing needs, wants, and values.
3. Individual reports can be made on trade associations in the area showing how they affect the community: examples: Maple Producers Association, Empire Livestock Market, etc.
4. A student can make a report on food processing plant tours he had taken where U.S. inspection was a continuous process.
5. Questionnaires would be taken home to parents and filled out by students who would interview their parents. It would concern their choices of stores in regard to:

accessibility	cleanliness
lighting	service
variety	quality
refund policy	credit
delivery	price range
ethics of owner	courtesy service

The teacher should keep a tally sheet for class summation.
6. Have students plan wardrobe additions keeping track of cost, and finding stores where the lowest prices for the desired items of acceptable quality can be purchased.
7. Each class member can choose a product which they really intend to buy in the near future. They would use Consumers Union Reports, Consumers' Digest, and Consumers' Research Bulletins to help their decision making. This would work well about December 1st as the item might be a Christmas gift.
8. Have students select a gift item and chart its price every month, from October through January, to study price fluctuation.

B. Small Group Activities

1. Have the group obtain a copy of the Time magazine cover article for the issue of October 12, 1962. The following questions could be considered in a report to the class:

a. What is the average cost of advertising per sales dollar?
b. What would be an estimate of the number of advertisements an American sees or hears daily?
c. Who are some of the world's largest advertisers?
d. Which of the advertising media receives the largest percent of the total expenditure for advertising?

2. The students can make a comparison collection of clothing and fabric labels. These would be organized on a poster which would have the words "good" and "poor" at the top and bottom respectively, with strings leading from the good and poor features. This group can present this before the class and then the presentation can remain on the bulletin board for a day or two.
3. A collection of food labels might be similarly presented as above.
4. The students can divide a report on the National Bureau of Standards; the rest of the students can take notes during the presentation and would be free to ask questions at the end of the report.
5. A debate can be presented on the merits of "Buy Now - Pay Later". Consider
   a. Installment Buying
   b. Personal Credit
   c. Charge Accounts
   d. Money Credit
6. Assign students a project on the care of food, clothing, furniture, and/or appliances. They can choose different products and give a report to the class. Bulletin board ideas may also be developed.
7. Have students analyze the contents of several brands of frozen beef pot pies or several brands of canned beef stew. Students should weigh each type of ingredient carefully to determine the number of grams of meat, gravy, potato, peas, carrots, etc. contained in each. The cost can be compared to the amount of meat and vegetable contained in each. The class should be encouraged to question the group about the basis of their decision.

C. Large Group Activities

1. The teacher can list private research laboratories, government testing laboratories, and trade associations, and have the students choose one to investigate. He should assist students in advance so as to allow them to make inquiries directly to the companies. Students would make notes from these reports.
2. The class can make a trip to one or more supermarkets to become familiar with:
   a. Seasonal supply of foods
   b. Traffic pattern of the store(s)
   c. Location of impulse items
   d. Life of perishable items
   e. Variety of foods offered
   f. Quality of foods offered

   Report can be made from observations made by each students.
3. A consumer education class committee can promote and direct a fashion assembly show to be presented by a local department store. This would encourage more careful selection of clothing with consideration given to quality, appropriateness, and budget allowance. (e.g. Pepsi Cola)

4. Articles of canned food and clothing can be circulated among the students and examined according to category listed on a worksheet (provided); the next day this material would be used for a lively discussion.
5. Catalogs of mail order houses can be brought in to each analysis of the description of products and discriminant buying.
6. Have students compare the prices and services offered by the supermarkets, corner stores, speciality stores, and drive-in stores.
7. Have the students compare brand name items and produce in the high income, moderate income, and low income areas. If possible, compare the same chain store in different locale.

D. Resource People

See Consumer Purchasing - Unit I, "Assembly Programs" and " Use of Resource Persons".

1. A state meat inspector could discuss the state meat inspection service and protection to consumers.
2. A representative of the Better Business Bureau would explain how his organization expressed its recommendations on complaints to the Federal Trade Commission or the Food and Drug Administration.
3. The home economics and industrial arts students might discuss furniture construction, decor, and fabrics under teacher's supervision.
   The distributive education student and the art student would be appropriate speakers as well. This activity might be followed by a visit to a large furniture store where several specific items could be analyzed.
4. The County Agricultural Agent and Home Economics Representative can be called upon for advice and talks.
5. Some furniture stores give courses in what to look for in carpeting and furniture. They may send their instructor to give a brief talk.
6. Con edison and other local utility companies have a prepared speaker on electrical appliances.
7. Some counties have their Health Department do policing of foods, and weights and measures. Large cities may also do this kind of inspecting.

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D. Films

(See Film Sources in Section F)

ABC of Beef Cooking — 14 min. — color
Association Film. Shows the technique used in cooking standing and roll rib roast, steak, stew, hamburgers, etc.

ABC's of Man Made Fibers — 22 min. — color
DuPont, 5 DuPont close-up of nylon.

A Diamond is Forever — 25 min.
Association Films, Inc. Tells story of diamonds; where mined; processing; cutting; and polishing.

A Stocking Yarn — 18 min.
Modern Talking Picture Service. Care of nylon stockings; how tested, shows plants, etc.

Behind the Label; or the Case of Mrs. Harridan's Hat — 13 1/2 min. — color
Dudley-Anderson-Yutzy, 551 Fifth Avenue, New York, N.Y. 10017.

Best Eggs to Buy — 12 min.
Oregon State System of Higher Education, Department of Bisual Instruction, Carvallis, Oregon.

Building Dreams — 25 min.
Structural Clay Products Institute. Story of clay from original clay utensels to present time.

Consumers Education Series — 5 min.
Stanley Bowner, 12 Cleveland Street, Valhalla, New York 10595

Cotton - Nature's Wonder Fiber — 28 min. — color
National Cotton Council. Cotton from farm to mill and finished product. History, production, marketing.

Columbia - Land of Mountain Coffee — 30 min. — color
Associated Films.

Design X 1099 — 27 min. — color
Modern Talking Picture Service. From raw materials to finished product.

Every Day is Apple Day — 24 min. — color
Associated Films. Shows how apples are harvested, how they become sauce, slices, and juices.

Facts About Fabrics — 22 min.
DuPont. Characteristics of yarn; how fibers are made, basic construction, Printing and dying.

From the Old to the New in Glass — 25 min. — color
Owens Illinois Glass Company. Displays research and manufacturing scenes from almost every phase of glass industry.

From Yarn to Cloth 16 min.
Quebec Tourist Bureau. Shows all the steps in setting up a hand loom and weaving, plus examples of the three basic weaves - plain, twill, and satin.

Gold Filled Story 30 min. color
Associated Film Service. Fashion show displays how to select proper wardrobe. (May be slightly out of date).

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Bercut-Richards Packing Company, P.O. Box 2470, Sacramento, California 95811.

Halibut Treasure of the Deep 14 1/2 min.
Modern Talking Pictures, Inc. Pictures of adventure of preparation of fish for market.

Home Management Series:
Buying Food 12 min.
Why Budget 12 min.
Film Library, Robert's Hall, Cornell University, Ithaca, New York 14850.

Inside Story of Wash and Wear 16 1/2 min.
DuPont. Covers the importance of wash and wear suits, dresses, sportswear, and shirts.

Journey of a Tree 26 min.
Baumetter Corporation. Tells how furniture is manufactured at one of the leading furniture plants.

Knitter and the Needle 10 min.
DeFrenes Company. The production of first quality full fashioned stockings. Qualities of toughness, smoothness, etc.

Leather in the Making 30 min.
Swank's, Inc. Leather tanning, modern tanning.

Making Fine China 25 min.
Modern Talking Pictures. Shows Lenox china in the making with decorations and other operations in the manufacture of fine china.

Meat on the Move 27 min.
Sterling Movies, U.S.A., 43 W. 61st Street, New York, N.Y. 10023.

Miracle in Wood 30 min.
Modern Talking Pictures. Construction of plywood and how logs are peeled, etc.

Old Hands at the Art of Fine Shoe Making color
Freeman Shoe Company. Interesting story of how shoes are made.

O'Sullivan Story 29 min.
O'Sullivan Rubber Company. Shows interesting scenes manufacturing shoes, heels, and plastics.

Paint Film 30 min.
New Jersey Zinc Company. Proper use of paint, contents and purpose.

Quality at Your Feet 23 min.
Brown Shoe Company, Swank Motion Pictures, Inc., ATT: Sponsored Films Department, 621 North Sinker Boulevard, St. Louis, Missouri 63130.

Romance of Silk 14 min. color
Japan Tourist. Portrays the production of silk, etc.

Samsonite 20 min.
Shwayder Brothers, Inc. Pictorial description of Samsonite.

Seven Wonders of Wool 22 min.
Wool Bureau. Explains seven basic fibers.

Story of Ohio Leather 30 min. color
Ohio Leather Company. Tanning; raw calfskins.

Story of Perfume 11 min. color
Coty, Inc. Shows "creative" nose. Shows manufacturing of perfume from oils to fiscatives, etc., to packaging.

The Practical You 29 min.
Institute of Agriculture, University of Minnesota, St. Paul, Minnesota. (Selected clothing).

The Story of Stainless 27 min.
Modern Talking Picture Service. Story of stainless steel and how it grew.

Treasure of Your Table 26 1/2 min.
United World Free Film Service. Shows how today's plants use techniques handed down from father to son.

White Magic 20 min.
Du Pont. Shows how refrigerators get their gleaming white finish.

Wise Buying 11 min.
Coronet Films, 65 East South Water Street, Chicago, Illinois.

E. Filmstrips

Buying and Care of Shirts 35 min.
American Institute of Laundering, Correspondence Study and Visual Services Division, Joliet, Illinois 60434.

Consumer Education Series 35 min.
Facts About Cotton Fabrics
Facts About Rayon Fabrics
Facts About Wool Fabrics
How to Buy a Blouse
Select Your Style
Your Retail Store
Stanley Bowman, 12 Cleveland Street, Valhalla, New York 10595.

The Fabulous World of Food 14 min. color
Association Films, Inc., 47 Madison Avenue, New York, N.Y. 10017.

Invest in Rest color
National Association of Bedding Manufacturers, Public Relations Dept., 724 Ninth Street, N.W., Washington, D. C. 20001.

You, The Shopper 35 min. color
Household Finance Corporation, Money Management Institute, Prudential Plaza, Chicago, Illinois.

F. Film Sources

American Cotton Manufacturing Institute, Inc., Public Relations Division, 1501 Johnson Building, Charlotte, North Carolina.

American Institute of Men's and Boy's Wear, Inc., 386 Park Avenue South, New York, New York.

American Meat Institute, 59 East Van Buren Street, Chicago, Illinois.

American Viscose Corporation, Home Furnishings Coordinator, 350 Fifth Avenue, New York, New York.

Associated Films, Inc., 561 Hillgrove Avenue, LaGrange, Illinois.

Baurmetter Corporation, Advertising Department, 145 East 32nd Street, New York, New York.

Brown Shoe Company, 8300 Maryland Avenue, St. Louis, Missouri.

Coty, Inc., Publicity Department, 423 West 55th Street, New York, New York.

De Frenes Company, 1909 Buttonwood Street, Philadelphia, Pennsylvania.

DuPont de Nemours and Company, Advertising Department, Motion Picture Section, Wilmington, Delaware.

Freeman Shoe Corporation, Retail Advertising Department, Motion Picture Section, Wilmington, Delaware.

Freeman Shoe Corporation, Retail Advertising Department, Beloit, Wisconsin.

Hercules Powder Company, Advertising Department, Wilmington, Delaware.

Hockey and Associates, Inc., 430 Peninsular Avenue, San Mateo, California.

Japan Tourist Bureau, 45 Rockefeller Plaza, New York, New York.

La Province de Quebec, Bureau de New York, 48 Rockefeller Plaza, New York, New York.

Leather Industries of America, 411 Fifth Avenue, New York, New York.

Man-Made Fiber Producers Association, Inc., 350 Fifth Avenue, New York, N.Y.

Modern Talking Picture Service, 3 East 54th Street, New York, New York.

National Association of Waste Materials Dealers, Inc., 271 Madison Avenue, New York, New York.

National Coffee Association, Public Relations Department, 120 West Street, New York, New York.

National Cotton Council of America, Audio Visual Section, P.O. Box 9905, Memphis, Tennessee.

New Jersey Zinc Corporation, 160 Front Street, New York, New York.

News and Motion Picture Service, Main Dept. of Agriculture, State Office Building, Augusta, Maine.

Ohio Leather Company, 1052 North State Street, Girad, Ohio.

O'Sullivan Rubber Sales, Inc., Winchester, Virginia.

Owens-Corning Fiberglass Corp., Electrical and Industrial Textile Sales Dept., 717 Fifth Avenue, New York, New York.

Owens-Illinois Glass Company, Public Relations Department, P.O. Box 1035, Toledo, Ohio.

Quebec Tourist Bureau, 45 Rockefeller Plaza, New York, New York.

Shwayder Brothers, Inc., 1050 South Broadway, Denver, Colorado.

Society of the Plastics Industry, Inc., 250 Park Avenue, New York, New York.

Structural Clay Products Institute, 1520 Eighteenth St., N.W., Washington, D.C.

Swanks, Inc., Modern Department, 621 North Sinker Boulevard, St. Louis, Mo.

Tea Council Film Library, 267 West 25th Street, New York, New York.

United World Free Film Service, 542 S. Dearborn Street, Chicago, Illinois.

Wool Bureau, Inc., ATT: Librarian, 360 Lexington Avenue, New York, New York.

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I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Supply and Demand
2. Consumption
3. Financing
4. Regulation
5. Insurance
6. Maintenance

B. Understandings

1. Supply and Demand
   a. Statement
      (1) The growth of the automobile industry is a result of an attempt to meet the demands of the public for improved transportation.
      (2) The number, the types, and the quality of automobiles available largely depend on the demands of the public.
      (3) In order to meet competition, manufacturers rely somewhat on the theory of contrived demand.
      (4) The demand for new automobiles reaches its peak (seasonal fluctuation) during the fall months of October and November and in the spring months of April and May.
      (5) The working class usually buys the used cars; if work is plentiful, the demand is high.
      (6) The winter season is the slow season for used cars.
      (7) More than 1/2 of the cars used in the U.S. are used cars.
   b. Explanation
      (1) The demand for automobiles is based on the need for transportation for: work, shopping, travel, and recreation. Once this need is satisfied, the demand decreases.
      (2) An increase in the need for automobiles will cause the demand to increase.
      (3) If needs increase, but supply is unchanged, the cost of automobiles will increase as the amount of demand increases.
         (a) If demand and supply both increase in direct proportion, cost may remain the same.
         (b) If demand is high and the supply is low, the cost may increase.
         (c) If the supply is high and the demand is low, the cost may decrease.
   c. Price
      (1) In order to get the best price on the car you buy, one must do comparative shopping and obtain competitive bids.
      (2) Manufacturer's list price is usually meaningless in view of dealer discounts and other variations.
      (3) The window invoice is not identical with the manufacturer's invoice. This is not necessarily the price of the automobile.

(4) The cost of a car is not just the purchase price.
(5) There is a difference between the dealer's price and the manufacturer's price.
(6) You get a better price when the accessories are installed at the factory than when the dealer installs them.
(7) It is possible to receive substantial price reductions through group purchasing plans.
(8) When considering price, consider the standard equipment for each model.
(9) Thought should be given to the trade-in values when selecting particular models.
(10) One should consider the selling price with or without a trade-in. Would it be more advantageous to sell your car yourself?
(11) It is common practice to reappraise the trade-in car at the time of taking possession of a new car.
(12) N.A.D.A. price book is the official used car guide.

d. Deceptive practices
(1) There are amny questionable methods which dealers use to persuade prospective customers in making their decisions.
(a) Fabulous buys are often advertised but are sold by the time the customer reaches the dealer - "bait".
(b) Dealers may lower monthly payment to the point where the customer signs financing contract for a car he cannot afford, then lumping his extravagance into a huge final payment - "ballooning".
(c) "Bashing" is any method of getting more money from the buyer than originally agreed upon.
(d) "Doping" is any method used to hide a car's mechanical flaws or age.
(e) The American market for cars is being challenged by the availability of foreign made automobiles.
1) Foreign car sellers are beginning to tailor cars for the United States market.
2) Foreign interest in this market forces the American dealers to keep active.

2. Consumption
a. The decision to buy a new or used car depends on the need to be satisfied.
(1) Cars are viewed as status symbols.
(2) Decision to purchase a certain type of car depends on individual economic resources and personal likes.

b. A consumer should make certain quality checks before purchasing a car.

c. Used cars have dealer warranties; and before buying a car, the purchaser should have a trusted, skilled mechanic examine the car or take it to a diagnostic center.

d. Consideration must be given to the dealer's reputation for a fair dealing.
(1) An itemized bill for all repair work should be obtained. The old parts should be given to you for each job to make sure the work was actually done.

e. Cars include a statement of their characteristics known as a warranty.
(1) Consumers must not confuse mere statements of opinions (puffs) with the actual warranty.

(2) Warranties on new cars usually give greater coverage than do used car warranties.
(3) The buyer should be aware of all items which the warranty includes and whether it is backed by the dealer or the manufacturer.
(4) The question of transference of warranty to other-than original owner must be carefully investigated.
(5) No warranty is valid unless you have proof that it is still active. To maintain the new car warranty, one does not have to service the car at the dealer's.
(6) Recent court decisions have held firms to statements made in their advertising.

3. Financing
   a. There are several means by which a consumer may select to cover the cost of purchasing a car.
      (1) Savings account loans with personal pass books as collateral are available. In this case interest is usually true rate of interest - not more than 1 1/2 to 2% more than the interest they will continue to pay on your savings.
      (2) Credit union loans serve as another means.
      (3) Direct bank loans may involve two costs; one to the bank for the financing and another to the dealer for arranging the loan.
         (a) Here it is advisable to make the largest down payment possible.
         (b) Interest on car loans may not be figured on a declining balance.
         (c) True interest rates are usually between 9 and 12%.
      (4) A personal bank loan is usually needed on older models.
      (5) Car dealers often arrange financing through their own credit companies such as General Motors Acceptance Corporation, Ford Credit Redisco, and Chrysler Credit.
         (a) Financing a new car this way may cost between 12 and 35% real interest depending on amount borrowed, time period, and place of residence.
         (b) Generally speaking, a direct bank loan is more economical than borrowing from a finance company.
   b. Dealers will often give you a lower price if they think that they can profit on your financing.
4. Regulation
   a. In the early stages of development, the automobile industry was not highly supervised by the government.
   b. In September 1966, Congress decided that the federal government should be involved in the control of safety factors of motor vehicles.
   c. The General Services Administration sets the safety standard and equipment on all cars purchased by the federal government.
   d. Consumer protection legislation involving product safety and unfair sales practices is increasing.
   e. The Federal Trade Commission checks anticompetitive practices.
   f. Car dealers are urged by trade associations to adhere to recommended selling practices, for example, the Automobile Trade Association.
   g. Public concern over safety has resulted in an increase in the number of programs which stress safe driving, such as driver education courses.

h. Safety standards are being developed by the United States Department of Transportation.

5. Insurance
   a. Operating a car involves many risks; insurance provides protection against some of these.
   b. The New York State Responsibility Act requires car owners to have a certain amount of insurance to protect themselves.
      (1) Bodily injury insurance covers injuries or death to other persons.
      (2) Property damage covers damage to the property of others as a result of the operations of autos.
      (3) Uninsured motorist coverage protects when injury is caused by an uninsured person.
   c. Additional car insurance is available.
      (1) Comprehensive insures in case of theft, fire, windstorm, or glass breakage.
      (2) Collision insurance pays for losses caused by damage to your car.
      (3) Medical payments apply to the insured and his immediate family while riding in a car or walking.
      (4) Insurance is also available which covers towing and labor costs.
   d. New programs of providing security are being prepared by the government and private concerns.
      (1) The Illinois Experiment in Guaranteed Benefits is an example of a program for increased security.
      (2) The purpose of many new programs is that by reducing investigations, bargaining and legal costs, they will reduce expenses for the companies and the policyholders, provide prompt settlements and provide personal protection.
   e. It is wise to have more than the minimum amount of insurance for often it is necessary in order to provide adequate protection.

6. Maintenance
   a. A consumer should remember that the actual cost of a used car includes initial cost plus the cost of putting the car in an operating condition.
   b. Cost of operating and maintaining a car varies in respect to climate, insurance rates, location, use of a car, and gasoline price in a given area.
   c. The cost per mile of operating a car can be determined by dividing fixed costs plus variable costs by the estimated annual mileage.

SUGGESTED VOCABULARY

A. Supply and Demand

Need	Seasonal Fluctuation
Supply	Contrived Demand
Demand	Relationship between
Cost	Supply and Demand

B. Consumption

Bait	Ballooning
Blue Book	Bushing (Law balling)

"Cold" and "Hot" Cars
Competitive Bids
Auto Clinic
Comparative Shopping
Doping
Guarantee
Warranty (expressed and implied)

C. Financing

Book Value
Initial Cost
Depreciation
Credit Union
Variable Costs
Interest Rate
Real Interest
Deposit
Reconditioning
Fixed Costs
Savings Account
Direct Bank Loan
Personal Bank Loan

D. Control

Consumer Protection Legislation
Federal Trade Commission
Trade Association

E. Security

Insurance
10/20/5 Coverage
Uninsured Motorists Coverage
Collision
Towing and Labor Coverage
Risks
Bodily Injury
Property Damage
Comprehensive
Medical Payments

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be Developed:

1. The growth of the automobile industry has affected our economic and social lives.
2. The demand for automobiles has a definite effect on the supply and in turn on the cost of cars.
3. The decision to purchase a car should be based on several considerations.
4. One must realize the liabilities and responsibilities of both the buyer and the seller in the purchase of a car.
5. Purchasing and maintaining a car is an expensive transaction.
6. The owners of automobiles have many responsibilities.
7. Proper maintenance of an automobile affects both a consumer's safe driving and the resale value of the car.
8. An automobile driver should be cognizant of the importance of obeying safety laws and regulations.
9. Control over the automobile industry is necessary in order to protect the consumer.
10. Insurance is a way of protecting yourself against the risks of owning and driving a car.

B. Abilities to be developed:

1. Learn how to make wise judgments.
2. Become familiar with the terminology used in the automotive market.

3. Determine the value or need of buying a car in respect to other needs which should be satisfied.
4. Decide whether the purchase of a new car or used car would best satisfy one's needs.
5. Shop for the best car at the best value.
6. Realize the effect of seasonal fluctuation.
7. Know the different means of financing a car.
8. Know items which need special maintenance attention.
9. Become familiar with the different types of automobile insurance and what their coverage includes.
10. Watch for questionable practices in maintenance.

IV. ACTIVITIES

This unit of the Consumer Education Syllabus is one of the most practical topics. The information or meat of the unit is most easily developed through outside resources rather than through textbook references. If the students are to realize the relevance of the unit, then learning activities which pertain to its subject matter will be found most useful.

The topic involves many principles and is closely related to other units such as those dealing with insurance, consumer purchasing, advertising and travel. Therefore, it would also be wise to make a correlation among some of the activities related to the common purpose of preparing the students to become intelligent consumers in our society.

A. Assembly Programs

Since this topic is pertinent and of interest to the entire student body, many of the learning activities can be coordinated in such a fashion to benefit the school as a whole.

A valuable program could consist of the use of a resource person who would provide the students with important information. Or, the students themselves could present an assembly program in which they reveal some interesting comments which were brought out in class discussions or individual research.

A few suggestions for programs would be:

1. Debate between competitive dealers on the merits of their companies.
2. Student panel discussion of the responsibilities and duties of a car owner.
3. Skit involving the purchase of a new vs. a used car.
4. Insurance representative speaking on the "value" of insurance.
5. A program in coordination with the driver education class involving safety regulations.

B. Individual Projects

There may be areas of special interest to individual students. Opportunity should be provided for them to do further research. Also, such activities provide a better understanding of the topic. Suggested projects follow:

1. Since there are numerous periodicals which contain information on purchasing and maintaining automobiles, students

may be requested to select a number of articles to be read and reported on to the class members.

2. Students may obtain copies of new and used car warranties so they may study actual specimens.
3. Ask students to consult with parents and friends to get information about car prices, names of reliable dealers and personal buying experiences.
4. Have students collect newspaper clippings of awards in automobile negligence cases, new safety features, and accidents due to carelessness.
5. Students may be interested in preparing a short paper on individuals who have been prominent in the automobile industry.
6. Individuals may select a city in the United States that they would like to visit. In a report, they would describe the length of this vacation, the places they wanted to visit, and the estimated cost of the trip.

C. Small Group Projects

Some students may have similar interests and desire to work together on research projects related to this unit. Once their research has been completed, they may wish to share their work with the other members of the class. Interesting presentations can be done through the use of panel dicusssions, debates, or skits prepared by the students.

Below are listed possible topics for small group research:

1. Comparison of advertisements - A study which illustrates how the different companies choose to present their automobiles to the public. Such questions could be answered as:
   a. Does advertising which is used to introduce the new automotive models each year take on a different "hue"?
   b. Do the automobile manufacturers provide dealers with material?
   c. Do the major automobile manufacturers have different advertising procedures?
2. Chart - Through class research a chart could be made illustrating which types of car the public felt would be most suitable for different purposes: ex. second car, family car, traveling man's car, luxury car, etc.
3. Skit - Spur of the moment skits often delight students.
   a. Scene: automobile lot
   b. Discussion: A student plays a dealer who tries to sell a second student a new or used car. The second student is the wary customer with lots of questions - Why should he buy a car? Why this type? Why a new car or used car? What does the warranty cover?
4. Comparison of actual warranties - Such a project should include research which would cover the following questions:
   a. What is the difference between a "warranty", a "guarantee", and a "puff"?
   b. What should warranties include?
   c. How do warranties from the various automobile manufacturers differ?
   d. Are there warranties on used cars? How do these differ from new car warranties?
   e. Compare an automobile warranty with a warranty on a different type of product.

5. Polltaking - A group of students might find it interesting to interview their family and friends concerning experiences which they might have had with dealers' or manufacturers' warranties.
6. Field trip - A committee of students could visit a bank and a car dealer to gain further insight into the various means of financing a car. They might be interested in learning the answers to the following questions:
   a. Do car dealers perfer cash purchases?
   b. What type of finance plan is most popular?
   c. How is the percent of interest on a loan determined?
   d. Why do some customers prefer to finance their purchase through a car dealer rather than a bank?
7. Questionnaire on the expense of maintaining and operating a car - A class committee may prepare a questionnaire to be duplicated and distributed to parents. This sheet would be filled out and returned to the committee so that the results could be compiled and calculated. The questions would deal with:
   a. Amount spent on fixed costs.
   b. Amount spent on variable costs (and what these costs included)
   c. Annual mileage
   d. Use of car
8. Automobile Songs - The automobile industry was such a great movement that the writers put many of the public reactions into song. In 1898 the first song was published - "The Automobile Spin". Since that time many marches, waltzes, and polkas were written which dealt with this topic. "In My Merry Oldsmobile", written in 1905, has been a very popular tune throughout the ages. Students who have failed to become stimulated in any of the other topics may find further research along this line interesting.
9. Bulletin Boards - Artistic students may wish to correlate the other committees' research into pictures or displays as a learning activity. Their themes might include:
   a. Comparison of warranties
   b. Comparison of types of insurance
   c. Different styles, makes, and models of cars
   d. Display of the reports on prominent men in the automobile industry
   e. Safety rules
   f. Display of magazines which would have valuable information on the automobile industry
10. Industrial Art students may demonstrate to the class the steps and process of caring for an automobile. Included in the discussion would be such items as:
   a. Figuring gas mileage
   b. Changing the oil
   c. Fixing a flat tire

D. Large Group Projects

1. Discussions - Topics of general interest often provide interesting discussions which the entire class may wish to participate in. Such discussions may center around committee reports, films, field trips, and resource people.
2. Field Trips - This type of project requires much preparation. Suitable place must be selected which is appropriate to the topic. Students should be aware of the purpose of the field trip. It is

wise to have a definite follow-up procedure so that the teacher and the students can evaluate the trip. Possible field trips might include:

a. Traffic court - The purpose of such a visit would be to make students aware of the types of violations which may be brought up and the penalties which then arise.
b. Auto clinic - Studdnts could see actual test procedures which cars undergo when being checked for performance and quality.
c. Auto recreation center - Automobiles are being used more and more as a form of recreation. The purpose of such a visit would be to illustrate the new demand and to show the importance of safety precautions.

E. Resource People

Experts in a particular branch of this topic are often better prepared to answer students' questions and to provide them with enlightening information. Speakers should be briefed on subject to be covered, class structure, and the location of the discussion. The students should be aware of the speaker's background and have an interest in his topic.

Types of speakers which may prove to be valuable in relation to this topic are:

1. Auto mechanic - explanation of the importance of testing an automobile.
2. Policeman - discussion of safety laws and regulations.
3. Car dealer - talk dealing with the market for used vs. new cars.
4. Insurance Representative - discussion on types of insurance and their benefits; cost of insurance; reasons why you must have a certain amount of insurance.
5. Driver Education Teacher - lecture on the driver education courses available and the purpose of such programs.

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Catalog of Free Teaching Materials, P.O. Box 1075, Ventura, California 93002.
Catalog of Free Teaching Materials by Gordon Salisbury.

Federal Trade Commission, Washington, D. C. 20580
The Federal Trade Commission's Report on Anticompetitive Practices in the Marketing of Gasoline

Ford Motor Company, Film Library, The American Road, Dearborn, Michigan 48121.
A Car is Born

General Motors Corporation, Detroit, Michigan 48202
The Automobile Story

Insurance Information Institute, Educational Division, 277 Park Avenue, New York, New York.
Automobile Insurance

State of New York, Department of Law
Your ABC's of Careful Buying

(Major Gasoline Companies - House Organ of the Manufacturer)

E. Films

The American Road

This film is available either in color or in black and white. It portrays the growth of America as muddy lanes become macadam strips and concrete turnpikes. It is the story of means and methods of transportation and how it has influenced our lives.

Cross Section of America — color — 21 1/2 min.

This deals with scientific automobile testing with the General Motors Corporation as the host. It shows intensive, rigorous testing that goes on at the General Motors Proving Grounds. The tests are conducted by highly skilled technicians using specialized instrumentation and computers.

How to Buy a Used Car — color — 15 min.

Jan Handy Organization.

The film shows how to proceed in buying a used car. It describes and explains the "look" test, checking under the hood with the "dry-run tests", and judging the performance of the car on the road.

Not Around the Clock — color — 15 min.

Travelers Insurance Companies

It explains the importance of automobile insurance and tells the story of two brothers, one who had just learned to drive and the other who explains the possible consequences of having an accident without insurance protection.

Tommy Gets the Keys — sound — 13 1/2 min.

This film tells the story of young Tommy who finally earns the keys to the family car. It makes the point that driving is more fun and much safer if you obey the rules of highway safety.

World of Henry Ford — color — 35 min.

The film shows the 19th century in which Henry Ford grew up. It shows the advent of the automobile and greater productivity with the ensuing transformation of society. It discusses Henry Ford's accomplishments and contributions of some other great automotive men.

Your Safety First — color — 12 1/2 min.

A science fiction safety cartoon that shows some of the scientific marvels of the year 2000. It portrays the evolution of the automobile from a jogging gas buggy to the modern safety-styled cars of today.

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Shelter
2. Location
3. Shelter Rental
4. Shelter Ownership

B. Understandings

1. Shelter
   a. A shelter unit is a single room or group of rooms occupied or intended for occupancy as a separate living quarters.
   b. Shelter is a basic consumer need.
   c. A home is a social unit formed by a family living together.
   d. Housing costs react to supply and demand.
   e. Housing costs are related to real income, real costs, the shifting purchasing power of a dollar and such intangibles as ethnic problems.
   f. Shelter lacks liquidity as an investment but is not frozen.
   g. Mobility may be a determining factor in making a shelter decision.
   h. Increased mobility may increase shelter costs.
   i. Comparison shopping for shelter may decrease cost.
   j. Generally shelter costs should not exceed 25% of net monthly income.
   k. The lower the income the higher the percentage spent for the shelter.
   l. The costs of shelter should be projected against anticipated income.
   m. Government housing programs aid many specialized groups.
2. Location
   a. Location may be a determinant in cost of housing.
   b. Land costs are increasing.
   c. The market for shelter is primarily local.
   d. Availability of community resources helps determine the choice of a homesite.
   e. In choosing a location a prospective dweller should consider the regulatory factors influencing occupancy.
   f. Employment opportunities are important in determining the location of a person's home.
   g. A desirable location may help protect the future value of the house.
3. Shelter Rental
   a. Family values and goals influence the decision to buy or rent.
   b. Apartment rental usually enables families to enjoy the maximum of convenience and comfort with a minimum of effort and investment.
   c. Consumers usually demand less in rental housing than in the case of ownership.

d. Renting is frequently cheaper than owning, at least on a short term basis.
e. There are advantages and disadvantages in renting.
f. There is a definite limit to the financial risks involved in renting.
g. A lease is a contract involving the use of another's property. See Contracts, Consumer Law I.
h. Breaking a lease can cause considerable financial loss.
i. Landlords and tenants have mutual obligations.
j. Rent bears little relation to original cost.

4. Shelter Ownership
   a. Home ownership
      (1) The idealized American housing goal is ownership of a single dwelling unit.
      (2) The percentage ratio of shelter ownership is higher for whites than non-whites.
      (3) Ownership of shelter may be a form of savings.
      (4) Given money and free choice, most consumers prefer to own.
      (5) Generally speaking, the total price of a house should be no more than 2 1/2 times the family's yearly income.
      (6) The cost of shelter ownership extends beyond the purchase price (maintenance, insurances, taxes, etc.)
      (7) Shelter ownership may be a hedge against inflation.
      (8) Buyers frequently lack knowledge about the shelter market.
      (9) Mortgage foreclosures frequently result from loss of income.
      (10) Before buying a home, one's income should be large enough, not only to meet the principal and interest payments on the mortgage, but also other expenses connected with home ownership.
      (11) Opportunity cost is implicit in shelter ownership (See Consumer Purchasing Unit I)
      (12) Shelter ownership provides a basis for a higher credit rating.
      (13) There are definite tax advantages related to home ownership.
      (14) A disinterested but informed third party may provide valuable advice when buying a shelter unit.
      (15) An attorney's services are usually worth the fee when purchasing a shelter.
      (16) The services of a real estate agent are usually free to the buyer.
      (17) Property ownership involves community responsibility.
      (18) There are advantages and disadvantages in ownership of an old home.
   b. Apartment Ownership
      (1) Co-operative apartment ownership is actually purchasing stock in a corporation that is the legal owner of the property.
      (2) Condominium apartments combine individual ownership of a single family unit in a multiple family dwelling with joint ownership of common facilities.
   c. Building a house
      (1) The unit cost on larger homes is lower per square foot than on smaller homes of the same style.
      (2) Pre-cutting, prefabrication and standardization are

potential sources of reduction of house costs.

(3) An affinity for custom housing has helped to maintain higher housing costs.

(4) "Make work rules" and jurisdictional disputes raise the cost of building.

(5) It is advisable to have the land survey and the title to the land searched before building.

(6) The large number of small builders in the construction industry leads to increased costs in home building.

(7) Seasonal construction increases fixed costs.

(8) Frequently the fees for professional services (architects, designers, engineers, decorators) are recovered from construction cost savings.

d. Financing a Shelter Unit

(1) The most important single aspect of the house-buying transaction is how much it costs and how it is to be paid for.

(2) The best, safest, and cheapest way to purchase a shelter is to pay cash; however, most families make a cash down payment and then borrow the difference between the down payment and the price of the house.

(3) There are several types and prices of mortgages and purchase contracts.

(4) It is wise to choose an institution that specializes in mortgages.

(5) It is not unusual initially for more than one-half of the monthly mortgage payments to be interest.

(6) The cost of borrowing varies.

(7) Financing has become more liberal allowing increased mobility and liquidity.

(8) Closing costs are added to purchase price.

(9) Mortgages are legally binding contracts.

e. Protecting your shelter investment

(1) There is a trade-in and trade-up in housing.

(2) The cost of home ownership extends beyond the purchase price.

(3) Insurance (mortgage, property and liability) usually provides good low cost protection for the investor.

(4) Ownership in deteriorating neighborhoods is a poor investment (slums).

(5) Sellers in a depressed housing market area frequently become involuntary absentee landlords.

(6) Maintenance or improvement of a dwelling by the owner may result in significant savings or an increase in value.

(7) The owner should not spend money for improvements out of proportion to the value of the house.

(8) Property owners have a vested interest in governmental activities regarding housing.

II. SUGGESTED VOCABULARY

A. shelter unit
home
homesite
mobility

community resources

B. mobile homes
custom housing
prefabrication
pre-cutting
standardization
condominium apartment
co-op apartments
multiple family dwellings
duplex

C. equity
"sweat equity"
lease
deed
mortgage
mortgagee
mortgager
down payment
point system
foreclosure
search
title and abstract
principal
rate of interest
amortization
liquidity
closing costs
Federal Housing Administration
Veterans Administration
Farm Home Administration

D. capital outlay
construction costs savings
purchase contract
vested interest
utilities
utility organization
shifting purchasing power
make work rules
jurisdictional disputes
comparison shopping
"trade-in"
"trade-up"
seasonal construction
"housing starts"

E. absentee landlord
landlord
slum-lord
tenant
real estate agent
architects
engineers
decorator
appraiser

F. zoning regulations
assessment
tax rate
rent control
fair market value
depressed housing market
tax exemption
equalization rate

G. home owners insurance
"package protection"
maintenance (5% per annum)

H. sub-standard housing
housing developments
inner city
urban renewal
suburbs
urban

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be Developed:

1. The stage of the family cycle is a determining factor in the selection of a dwelling unit.
2. Personal criteria for housing may change.

3. Financing a home calls for an assessment of available and future resources.
4. Home ownership involves both greater individual and family financial management than does renting.
5. Competent legal, financial, and other counsel should be sought before contracts are signed.
6. The cost of a home does not end with the initial purchase.
7. Shelter occupancy involves social responsibilities.

B. Abilities to be Developed:

1. Distinguish between assets and liabilities of renting.
2. Each student should know the different types of housing commonly available.
3. Each student should learn to adapt his shelter requirement to his financial ability.
4. Distinguish between the various types of mortgage loans, purchase contracts, as well as leases and other rental agreements.
5. Each student should know the local government sources available to the tenant.
6. Each student should understand the importance of other available services in a community which affects the desirability of rental facilities.
7. Shelter occupancy involves social responsibilities.
8. It pays to shop for mortgage loans.
9. Develop the ability to weigh real needs against artificial needs.

IV. ACTIVITIES

A. Class or large group activities

1. Field trips
   a. Real estate office - both rental and purchase
   b. Commercial bank mortgage department
   c. Savings and loan associations
   d. Title and abstract office
   e. Housing developments and model homes
   f. Apartment developments
   g. Houses under construction
   h. Planning commission office - zoning and neighborhood development information
   i. Architect office
   j. County or other extension office
   k. Governmental offices - F.H.A., for example
2. Resource people from the community
   a. Lawyers
   b. Bankers
   c. Real estate broker and salesman
   d. Builders
   e. Title and abstract people
   f. Building inspectors
   g. Home economics authorities
   h. Home builders and contractors
   i. Service personnel
   j. Real estate appraisers
   k. Tax assessors

l. Planners
m. Architects and engineers
n. Government personnel (F.H.A., U.A.)
o. Economists
p. Lobbyists in the housing area
q. Tax specialists

3. Audio-visual presentations
   a. video tape
   b. slides (student made)
   c. movies
   d. transparencies
4. Large group presentations
   a. panels
   b. oral reports
   c. committee reports
   d. debates

B. Individual projects and small group activities

1. Role playing
2. Art or poster projects (student created or student collected)
   a. Tenant rights and obligations
   b. Pros and cons of home ownership
   c. Pros and cons of renting
   d. Housing defects
   e. Home buying step by step
   f. Mechanics of home buying
3. Polltaking
   a. Who rents, who owns
   b. Cost of ownership by local sectors
4. Analysis of advertising
   a. Local newspapers
   b. Out of town newspapers
   c. TV
   d. Pamphlets
   e. Outdoor advertising
5. Data collection (field research)
   a. Local "housing starts"
   b. Availability of land
   c. Land costs
   d. Resales and/or trade ins
   e. Types and availability of shelter units
   f. Average operating and maintenance costs
6. Data collection (library research)
   a. "Housing starts" - national , regional
   b. Mortgage funds
   c. Government building codes (FHA, UA, local)
7. Investigations of legal protection or restrictions for the consumer
   a. Leases
   b. Mortgages
   c. Deeds
   d. Closing documents
   e. Insurance
8. Individual projects
   a. Interviews for local businessmen

b. Comparison shopping
c. Scrap book
d. Research paper
e. Workbook

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Garden Apartments: The Early Years to the Present 15 min. color
Available for purchase at $25 from the Land Use and Development Department of the National Association of Home Builders, 1625 L Street, N.W., Washington, D. C. 20036.

Video Tape

High School Economics - Personal Finance
Hampton Roads Educational Association

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Credit
2. Consumer Credit
3. Sales Credit
4. Loan Credit
5. Opportunity Costs
6. Credit Rating
7. Government Regulation
8. Contract

B. Understandings

1. Credit
   a. Credit is part of the capacity and characteristics of an individual.
   b. Credit is something a person possesses. No one can give a person credit.
   c. A person possesses credit in the sense that he or she is trustworthy.
   d. Credit is that which assures others that you will perform whatever you promise, so far as lies within your capacity.
   e. It is this habitual making good on promises which develops into the valuable personal possession called credit.
   f. The amount of credit we possess depends on several measurements.
      (1) The strength and trustworthiness of our character
      (2) Our capacity to meet financial commitments
      (3) Our possessions; what we have saved; perhaps a home, furniture; money; and other valuables, since they offer some proof that we have the capacity to make good on our promises.
   g. Credit has been a large contributing factor in the growth of the American economy.
   h. Credit increases purchasing power.
   i. Credit increases the standard of living at the expense of debt.
   j. Increases or decreases in the use of credit may affect total spending.
   k. The creditor should read and understand before he signs a credit obligation.
   l. Credit may and sometimes does produce bankruptcy.
   m. In all cases credit must be used prudently.
   n. Credit enables a person to buy according to his needs and not according to his income. One should carefully distinguish between needs and desires.
   o. Too large an expansion of credit could defeat its own purpose if based on consumer's expected earning power which might not materialize.
2. Consumer Credit
   a. Consumer credit generally refers to personal or family debts for goods and services that mature within five years or less.
   b. Consumer credit is generally used not to increase profits or income but to satisfy personal needs or wants.

c. Consumer credit usually involves smaller sums than those common to business affairs.
d. Consumer credit is widely used today.
e. Consumer credit is popular mainly due to the convenience of charging purchases rather than paying cash.
f. Practically every consumer uses some form of credit.
g. Consumers use credit because it is convenient, but they also use it for particular reasons such as:
   (1) Individuals and families may buy durable goods to improve their way of life, i.e., washing machines, freezers, etc.
   (2) When expenses pile up suddenly and cannot be covered out of current income, many consumers borrow money to pay their debts and then spread their loan payments over a long period of time.
   (3) When families run into hard luck, credit enables them to keep going until they get back on their feet again.
h. Modern consumer credit is so flexible that the choice among types of credit service is pretty much left to each user's discretion.
i. The charges or costs for the use of credit varies with what each "package" of credit service contains, such as:
   (1) The risk involved
   (2) The size of the account
   (3) The length of time involved in payment and other factors
j. A veritable network of financial institutions will lend the consumer cash to meet his buying or other financial needs.
k. The choice of the type of credit is the consumer's. He should study the several aspects of each method available to him.

3. Sales Credit
   a. Sales or purchase credit is generally employed to purchase products and services of a durable or semi-durable nature.
   b. Charge account:
      (1) The open or charge account begins with a general contract between store and customer by which the latter agrees to pay when billed for purchases.
      (2) Title to the goods purchased on charge accounts passes directly to consumer on delivery.
      (3) There remains a legal as well as moral obligation to make payments, but the articles purchased do not constitute security subject to repossession on failure to pay.
      (4) Charge accounts more often than not are convenience accounts, enabling customers to pay in one check each month for all purchases made in a 30 day period.
      (5) Often consumers pay regular charge accounts in installments over several months; however, this method is a misuse rather than good use of this type of credit.
   c. Installment Sales Accounts:
      (1) Provides for payment in equal monthly, bi-weekly, or weekly installments.
      (2) Usually they run from four to twenty-four months, but may be written for longer or shorter periods.
      (3) Title to the article purchased remains with the store as evidenced by a written contract (see contracts) until the last payment is made, when it passes to the customer (see local and state laws and government regulation).

d. Revolving Credit:
   (1) This method introduces the two or more payment principles of the installment account and also retains important factors of the 30 day charge account.
   (2) Institutions pick up the credit service charge traditionally a part of installment buying or borrowing, but usually apply it differently.
   (3) An "open line" to credit may be arranged with a top dollar limit, against which purchases may be charged at will with fixed monthly payments.
      (a) The customer signs an agreement at the beginning which becomes the basic contract pertaining to all use made of the account.
      (b) The customer is assigned a top dollar limit and usually agrees to pay within 30 days any amount he should "charge" over this limit. (There may be times when a purchase runs the account slightly above the agreed upon maximum).
      (c) To avoid intentional misuse, the original agreement will often provide that if any such average is not paid in the 30 days period, the whole balance on the account will become due and the usual monthly privilege ends.
      (d) Note example:
      *Customer's dollar credit limit may be $60, $100, $300, or even as much as $5,000 in some cases.
      *He may agree to repay monthly either a fixed fraction (1/6, 1/10, 1/12, 1/20) of this total limit regardless of the amount he owes at any time.
      *Or a percentage of the actual balance outstanding on his bill at the end of each month, such as 10% or 15% of it.
      *New purchases may be made at any time so long as the total remains within the limit.
      *Each month a credit service charge is added, for instance 1% or 1 1/2% of the amount carried over unpaid from the total billed last month, no charge being made on the new entries for purchase since the last billing.
   (4) The faster these accounts are paid off, the smaller will be the credit service charge.
   (5) Unless otherwise stated, legal title to things purchased on this account passes to the buyer at the time of purchases.

4. Loan Credit:
   a. Loan credit is usually involved in a dual transaction where the consumer borrows from a lending institution and pays the doctor, hospital, store, etc. in cash.
   b. Single Payment:
      (1) Somewhat similar to the open or charge account of retailing is the single payment loan of a bank or lending institution.
         (a) Single payment loans may run for 30, 60, 90, or 120 days.
         (b) The single payment loan requires a signed note due exactly on the date specified in contrast to the ten or fifteen day leeway allowed for the charge account.

(c) Interest and principal come due on the one due date specified.

c. Installment Loan Account:

(1) Very similar to the installment sales account
   (a) Repayment in equal monthly or bi-monthly installments.
   (b) Usually runs from four to twenty-four months, but may be written for longer or shorter periods.

(2) Installment loans may be made on "signature" alone, but where collateral or security is required, this is specified in the note, which is the loan contract.
   (a) Usually by a separate paper, title to this collateral is transferred technically to the lender.
   (b) When final payment is made, the note, collateral and this title instrument are returned; full title reverting to its original owner, usually of course, the borrower.

d. Revolving Loan Credit:

(1) "Redi-checks" loan credit
   (a) The consumer arranges a top credit limit with the bank.
   (b) He is issued a book of special checks.
   (c) It is his privilege to write checks as he wishes, up to the total of his line of credit.
   (d) A service charge may be added but usually is not if he makes a deposit to cover the statement within 10, 15, or 20 days; except perhaps a small fee for each check that has been drawn to cover the bookkeeping.
   (e) On amounts not covered by a deposit within that time, he is charged something like 1% when the next statement is made out.
   (f) Each month this 1% will be added to the amount left outstanding from the previous billing period.

(2) Charge Account banking:
   (a) Permits consumers to arrange a line of credit with a bank or lending institution and allows them to make purchases in many participating establishments.
   (b) The plan may provide simply a 30 day charge account or installment payment service.
   (c) This type of charge service is offered by independent companies without direct consumer-to-bank arrangements, i.e. the "Diner Club", American Express Credit Card and Hilton Credit Card Plans, all are based on this principle.

(3) Credit Cards
   (a) In the past few years, millions of people have become credit card users.
   (b) Hundreds of businesses are issuing these identification cards permitting the holder to charge almost any product or service.
   (c) Several large companies specialize in the credit cards business good for purchasing almost anything with agreed upon dollars limits.
   (d) Primarily, the card holder agrees to pay the issuing company each month against billing with itemized all charges he has made.
   (e) In some instances, the consumer may make partial payment, agreeing to an added credit service charge that may be, each month, as much as 1 & 1/2% of the

remaining unpaid portion of the preceeding month's bill, which is similar to the revolving credit feature.

5. Opportunity Costs (Alternative Costs)
   a. This cost measured in terms of alternatives or opportunities foregone.
   b. In the process of making choices we incur opportunity costs.
   c. Credit allows people to have the satisfaction of using items now rather than later and at the expense of future purchasing power.
   d. A person foregoes other alternatives when he extends credit.
   e. The consumer should make some of the following value judgments before making a committment:
      (1) Is this important to me?
      (2) Will it do for me what I want?
      (3) Do I have the money to pay for it?
      (4) Am I committing future income hazardously?
   f. An example of a high opportunity cost is impulse buying which is frequently wasteful and costly.
6. Credit Rating
   a. Credit ratings are determined by past performances in meeting financial obligations and the potential of meeting them in the future.
   b. A "credit rating" by an institution may denote the top limit one should undertake to handle; the period of time over which one should make payments.
   c. In general there are two types of credit rating agencies:
      (1) Agencies that provide credit rating information on businesses.
      (2) Agencies that provide ratings on individuals.
   d. Banks sometimes give confidential credit information on individuals and businesses.
      (1) It is therefore important to maintain satisfactory relations with a bank if a good credit rating is desired.
   e. Private credit agencies collect information and issue confidential reports for the benefit of their subscribers who are retailers.
   f. The Associated Credit Bureaus of America has more than 3000 credit bureau members serving over 600,000 business firms.
   g. The services of this nation-wide credit reporting system are an advantage to you if you have safeguarded your credit.
      (1) Your credit record will always follow you and can be checked easily.
      (2) However, a bad credit reputation will also follow you wherever you go.
   h. A good credit rating is an asset of very great value, and it is worth preserving even at the cost of considerable sacrifice.
   i. A person with no previous credit experience has no credit rating.
   j. Personal bankruptcy ruins an individual's credit rating.
7. Government Regulation:
   a. Credit:
      (1) Federal government may exercise control over prices by means of credit policies designed to prevent inflation and rapidly increasing prices.

(2) When the government requires institutions to reduce the credit period to a time limit, there will be fewer buyers. As a result, the volume of sales may fall and prices will tend to stop their upward climb and vice versa

b. Interest rates:
   (1) For many years, various states have had regulations as to the maximum interest rates that can be charged for borrowed money.
   (2) In recent years, the Federal Reserve has exercised the power of control over the discount or interest rates that federal reserve banks may charge member banks.
      (a) This control influences the rates of interest that banks charge on the money they loan to consumers.
   (3) The true rate of interest is frequently higher than the stated note. (See Truth and Lending Loans)

8. Contract:
   a. A contract is a legally binding agreement between two or more parties in which, for a consideration, one or more of the parties agree to do or not to do a certain thing or things.
   b. It is the consumer's duty to himself and the store or bank to read the installment contract carefully before he signs it.
   c. The consumer's signature should indicate that he knows its contents and agrees. Legally the courts will presume you know its contents and agree.
   d. An installment sales contract should provide the following data:
      *cash price of article purchased
      *credit service charges
      *insurance premium, if any
      *other charges, excise tax, etc.
      *total purchase price
      *down payment and credits
      *cash
      *allowances
      *trade-in, etc.
      *total credits
      *unpaid balance
   e. The contract should state clearly the amount of each payment agreed upon and when and where it is to be paid.
   f. An installment loan contract should provide the following loan data:
      *amount of loan clearly stated
      *all charges listed
      *the collateral or security itemized (Lenders usually require some form of security or collateral to assure repayment of money borrowed. The lack of collateral or endorser affects the risk and cost of a loan)
      *dates, place and terms of payment made certain.
   g. In both types of contracts discussed above, the consumer should be aware of agreements as to handling the situation should default occur, and other rights and obligations agreed upon.
   h. No consumer need sign a contract he does not understand.
   i. It is good business judgment to be careful before signing a contract.
   j. Ask for full information regarding the contract and take caution if the seller or lender is unwilling to explain its unclear terms to your satisfaction.

k. A contract should essentially set forth the agreements of both parties.
l. Ask that any special agreement the merchant makes orally be written over his signature in the contract.
   (1) Most contracts in their print exclude any or all promises and agreements not explicit in writing or print.

II. VOCABULARY

A. Terms
Credit
Debt
Consumer Credit
Investment
Credit Cards
Discounting a loan
Cash
Carrying charge
Repossession
Big ticket
Collateral (security)
Contract
"Add-on" Contract
Charge Account

B. Credit rating bureau
Creditor
Debtor
Producer credit
Bond
Discretionary income
Bankruptcy
Revolving credit
Garnishment
Pawn shop
Interest rate
Down payment
Installment buying
Personal borrowing
Credit rating

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Understanding how credit may be used most advantageously in personal business transactions.
2. Appreciating the importance of meeting financial obligations and establishing and maintaining a good credit rating.
3. Understanding why businessmen borrow money.
4. Understanding why consumers borrow money.
5. Interest is the payment for the use of money borrowed.

B. Abilities to be developed:

1. Develop ability to figure the cost of installment loans and installment purchases.
2. Show that there is actual need for keeping cancelled checks, receipted bills, and other business forms showing payment has been made, that these papers must be placed in a safe until no longer needed. (See Unit 12: Consumer Law, Understanding Item 2 - Negotiable Instruments)
3. Developing ability to prepare check stubs and receipts in their proper form.
4. To understand terminology of terms used in credit accounting and on invoices and discount notes.
5. Developing the ability to calculate interest at different rates and for various periods of time.
6. Reasons why consumers borrow on the installment plan from loan companies.

7. Understanding that borrowing small amounts to be repaid in installments is more costly than borrowing large amounts, as the expense of making the loan is greater on a small loan.

ACTIVITIES

A. Class or Large Group Activities

1. Have credit manager from local finance company or department or large variety store come and give an assembly speech, and possibly show film, or actually give the students a talk on the "hows" and "whats" of credit.
2. A short skit, if one is able to find the talent for it, would work out very nicely here, having a credit manager do the interviewing and a moderator to tell the story as it progresses.
3. Debate, "Should All Consumers Have Credit?"

B. Individual Projects and Small Group Activities

1. Debate in class is always a change of pace from the teacher's lectures. Bring out the important points in consumer credit.
2. Have local finance chairmen or representatives of town or county government come and speak on financial indebtedness of the village or county. Why did they go into debt? How long will it take them to get this particular debt cleared? (They all have some short term debts, notes, etc.)
3. Have students find out whether debtors' prisons are in use today and how they were used. (Have social studies teacher talk to the class on this).
4. Having groups of students bring in examples of how credit speeds up production and consumption in our economy. Manufacturers or businessmen use credit when short of cash; buy on credit then repay later; sell on credit and collect later.
5. Bring in advertisements from local businessmen for public to buy on credit.
6. Students bring in articles from magazines, newspapers on credit, and then discuss them in class. This can be class project over a period of time.
7. Bulletin boards can be used to show the material that has been brought in.
8. Credit manager of local store, or local banker talks on credit, or have the local manager of small loan finance company speak to the group. If community has a credit union, a spokesman from that organization will be a welcome speaker.
9. Bring in short term credit contracts, compare and analyze.
10. "What would happen if credit was illegal?" Students could use this as a class discussion and/or write a short paper on it.

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National Consumer Finance Association, Educational Service Division, 1000 Sixteenth Street, N.W., Washington, D. C. 20006.

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I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Income
2. Expenditures
3. Budgeting

B. Understandings

1. Income
   a. Income includes wages, salaries, interest, rent, dividends, and transfer payments after payment of income taxes and social security.
   b. Income must be used carefully if it is to include as many needs and wants as possible.
   c. As one's income increases the amount of discretionary income increases.
   d. Disposable income is income after taxes have been paid.
   e. Income from both husband and wife should be included in the budget.
   f. As income rises budget estimates change greatly in some major groupings, such as income tax and savings.
   g. In estimating income for use in the budget, one must never over-estimate - don't include the "maybe" bonus.
   h. Real income is wages in terms of what they will buy.
   i. Budgeting of fluctuating income should be based on previous year's income.
2. Expenditures
   a. A budget helps achieve both short and long term goals.
   b. Fixed expenses such as rent are easy to budget and follow.
   c. Discretionary or choice spending is difficult to plan: one must establish values and goals and make choices.
   d. As one's income rises, the discretionary income usually rises more than the fixed expenses.
   e. As one's income increases, the percentage spent on food decreases. (See Engel's Law)
   f. The discussion for expenditures should include the whole family.
   g. There is an advantage in knowing what, where, and when to buy.
3. Budgeting
   a. A budget is a plan for spending one's income.
   b. A good budget has goals, routine savings, and is tailor-made for the individual or family.
   c. Besides the amount of income and basic needs, budgeting is based on many other factors such as:
      (1) Changing economy (war, strikes)
      (2) Family traditions
      (3) Fashions
      (4) Health changes
      (5) Type of job
      (6) Demands of your community
   d. Poor money management often leads to family difficulties.
   e. A purpose of budgeting is to avoid waste and to avoid over-spending which leads to indebtedness of the chronic type.

f. From budget planning, one learns to have one's major fixed expenses spread out over the whole earning period.
g. A trial period is necessary in proving a budget--records of expense must be kept and compared with estimates over a fair period of time.
h. As family conditions and income change, new budget plans must be made.

II. SUGGESTED VOCABULARY

tabulate
resources
family resources
budget
thrift
flexible
fixed expenses
variable expenses
discretionary spending
extravagances
discount
sweat equity
necessities
impulse buying
needs
wants
standard of living
prosperity
minimum
maximum
systematic savings
income
value
slippage or leakage
withholding
take-home pay
purchasing power
hand-to-mouth living
tailor-made
apportion
petty cash
elasticity
spendthrift
real income
disposable income
conspicuous consumption

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Each worker should feel a responsibility toward our free enterprise system, and should spend his money wisely; this is fundamental in the market place.
2. A certain degree of emotional security comes from good money management.
3. Financial planning, or budgeting, is necessary for most people because wants exceed income.
4. Planning a need in advance may avoid impulse buying.
5. A budget should be flexible.

B. Abilities to be developed:

1. Use entry books, labeled envelopes, or simple records to budget.
2. Use model budgets as guides, not as the plan.
3. Use budgets which are categorized.
4. Circumstances in living change and the budget must change with these conditions.

IV. ACTIVITIES

A. Individual Projects

1. Have students make time budgets before they make money budgets. They have used more time than money--both are limited and the basic principles carry over.

2. Have students make personal budgets.
3. With cooperation of parents help students keep a family budget. (see syllabus for budget form). Letter of explanation to parents.
4. Ask for a volunteer to interview the manager of a bank or small loan company concerning the number of clients he helps with budgeting problems when he is lending money.
5. Have students make posters emphasizing major rules of budgeting.
6. Determine the cost of a school outfit.

B. Small Group Projects

1. Use the following statements for basis of skits, panel discussions or debates, or buzz groups:
   a. Families have become more dependent on money income in the last fifty years.
   b. The shortest definition of budgeting.
   c. The longest definition of budgeting.
   d. What you get for your money depends on how wise you are.
   e. Money is your slave.
   f. He who spends well, saves.
   (There are dozens of others)
2. Give students list of items to determine cost in hours of work (sweat equity).

C. Large Group Project

Divide the class in half; direct one group to bring to class articles and newspaper clippings on bankruptcy and mismanagement of money, while the other group searches for articles on consumer savings or good management of finances. Booklets could be made from these to keep for supplementary reading.

D. Resource People

1. Ask a banker to relate to the class what he observes as a lender--who is the frantic borrower, would budgeting have helped, is he a good risk, what literature does the bank give out to help.
2. Ask the manager of a small loan company to talk about the interest his companies have concerning good financial management by customers.
3. Ask the home economics teacher to show how important it is to budget in order to acquire a desirable standard of living.

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"New Set of Priorities," Time, 90:59, September 1, 1967.

"Poker Problems," Good Housekeeping, 161:12+, September 1965.

"So You Think You Don't Need a Budget," Changing Times, 19:33-5 October 1965.

"That Always Broke Feeling and What To Do About It," Changing Times, 20:7-11, March 1966.

"We Never Say We Can't Afford It," B. J. Boots, Farm Journal, 90:75, January 1966.

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Slide Guide. National Consumer Finance Association, Educational Services Division, 1000 Sixteenth Street, N.W., Washington, D. C.

Teaching Topics. From ILI and HII, Volume 15, No. 2, Spring 1966, pp. 1-4.

Your Guide for Teaching Money Management. Money Management Institute of Household Finance Corporation, Concept 3, Page 12.

Booklets from Household Finance Corporation's Money Management Institute, Prudential Plaza, Chicago, Illinois 60601. 25¢.

Your Budget
For Young Moderns
Your Shopping Dollars
Your Savings and Investment Dollar

D. Sources of Free Material

Have a copy in your file of Free and Inexpensive Materials for Teaching Family Finance published by National Committee for Education in Family Finance, 277 Park Avenue, New York, New York 10017, pp. 29-33.

E. Audio-Visual Materials

Movies

Personal Money Management — 13 min. — b&w
Association Films, Inc., 347 Madison Avenue, New York 10017.

Why Budget? — 11 min. — b&w
Business Education Films, 5113 16th Avenue, Brooklyn, N.Y. 11204.

Filmstrips

Budget Ideas for Youth — 35 mm — b&w
Visual Education Consultants, Inc., 2066 Helena Street, Madison, Wisc. 53701

Directing Your Dollars 16 mm
Institute of Life Insurance, 277 Park Avenue, New York 10017.

Earning Your Money, Making Money Work for You, etc.
Six color film strips on money management for young people - $37.00, $7.00 each. McGraw-Hill, Educational Record Sales, 157 Chambers Street, New York 10017.

A New Look at Budgeting 35 mm 18 min.
May be obtained from Money Management Institute, Household Finance Corporation, Prudential Plaza, Chicago, Illinois 60601. (Set of 5, $7.00)

An illustration of important records necessary in preparing an estimated budget.

I. Income

A. Cash Available

Net wages or income from farm or business
Dividends and interest from bonds and investments
Income of other family members
Money as a bonus
Money borrowed
Rent
Other

II. Expenditures

A. Fixed Expenses and Responsibilities

Rent or Mortgage Payment
Life Insurance
Fire Insurance
Health Insurance
Auto Insurance
Other Insurance
Real Estate Taxes
Other Taxes
Installment Payment (Cash or Credit)
Licenses
Contributions
Savings
Dues - Union, etc.

B. Variable Expenses and Responsibilities

Food
Household Operation
Water
Telephone
Heat
Laundry and Cleaning
Gas and Electric
Doctor, Dentist, Drugs, other Medical Expenses
Car Operation - Gas, Oil, Repairs, Tires, Etc.

Meals - away from home, school lunch, etc.
Clothing
Entertainment
Education
Gifts
Personal Spending
Additional Purchases, Contributions, Taxes, Etc.

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Fraud
2. Deception
3. Quackery

B. Understandings

1. Fraud
   a. The intentional mistatement of fact and the reliance, by the buyer, upon this mistatement, establishes fraud.
   b. The intentional alteration of an item after it has been purchased from the producer, an alteration which occurs without the purchaser's consent or knowledge, is illegal if the alteration is done with the intent to defraud. In food such alteration is known as adulteration.
2. Deception
   a. The subtle and deliberate intent to mislead, while remaining within the framework of the law, is deception.
   b. Deception is very nearly the same as fraud, except fraud operates outside of the law, while deception operates by use of loopholes in the law or within a "gray area" which is neither within or outside of the law. Deception contains an element of trickery.
3. Quackery
   a. An attempt to sell "medicines," food products, or devices by the use of false claims that they promote health or cure disease, is the art of quackery.
   b. The danger of quackery often exists due to "trust" and reliance which is placed upon certain items that do little or nothing to promote health. This sometimes prevents the taking of action which could promote improved helath.
4. Consumer Protection
   a. Protection is provided by private and governmental agencies which attempt to protect the consumer by educating him, protecting the legitimate businessman and restraining those who would practice fraudulent and illegal business methods.
   b. Examples of such agencies:
      (1) Federal
         (a) Post Office Department
         (b) Food and Drug Administration
         (c) Federal Trade Commission
      (2) State
         (a) Bureau of Consumer Frauds and Protection, New York State Department of Law
         (b) Bureau of Marketing, New York State Dept. of Commerce
         (c) County Bureaus of Weight and Measures
      (3) Private
         (a) Consumers Union
         (b) Consumers Research
         (c) Better Business Bureau

II. SUGGESTED VOCABULARY

A. Fraud
Fraudulent act
Intent to defraud
Intentional mistatement
Alteration
Adulteration

B. Deception
Legal loopholes
"Bait and switch baiting"
Deceptive packaging
Misleading advertising
Bargains, Consumer Utility
Sales Pitch
Durability
Wholesale and Retail pricing

C. Quackery
Hoax
"Cure-alls"
"Medicines"
Quacks

D. Consumer Protection
Seller, Buyer
Binding Contracts
Agreements
Chain letter
Pigeon drop loan*
Bushing*
Referral racket
"Fly-by-night" operations
Interstate and Intrastate commerce

*Pigeon drop loan - confidence scheme whereby you loan a stranger a considerable amount of money so he can get a great sum which is someplace else. He tells you to meet him at a certain point and there he will repay you the loan plus split the other sum with you. You meet him at the appointed place, receive a package of money which you quickly thumb, and then only at a later date do you discover that only part of the package is money and the rest either play money or something like it. The real money in the package was some of what you loaned.

*Bushing - the practice of increasing the selling price of an item above that originally quoted, after you have made a first payment, made the trade-in, or signed the contract.

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Alertness

a. "Something for nothing" should be a danger signal for all consumers.
b. If you are not familiar with their reputation, investigate firms or individuals you are to deal with.
c. Treat all agreements and contracts which require your signature with the utmost care. Ask a lawyer for help if you do not feel competent.
d. Realize that good health is seldom obtained by "cure-all" medications.

2. Awareness
a. The educated consumer is best able to avoid the snares of fraud, quackery, and deception.
b. Be aware of news items for consumers, warning of certain illegal practices which may be going on in the local area, at various times of the year.
c. Be aware that a bargain does not exist unless you need the product or service.

3. Responsibility
a. If the consumer demands high standards before he buys, he can force businesses to provide high standards.
b. The defrauded citizen has a responsibility to complain to the proper authorities and to publicize the deception to his friends and relatives.
c. To expect honesty from the businessman, the consumer is expected to be honest in return.

B. Abilities to be developed:

1. Beware of advertising which uses deceptive phrasing, "come on baiting," and which does not give true quantity in standard measures.
2. Do not allow emotional appeals to interfere with rational buying.
3. Develop good judgment in managing personal business affairs.
4. Be conscious of hoaxes and fraudulent practices which are common; some are seasonal, increasing at various times of the year.
5. Be able to determine whether the bargain advertised meets the requirements which you desire in a particular item.
6. Know what agencies of consumer protection are available to you and which ones can help you with your particular problem. Do not be afraid to report fraudulent activity.
a. Federal agencies can deal only with interstate business.
b. State and local agencies must supplement federal agencies by dealing with intrastate business.

IV. ACTIVITIES

A. Assembly Programs

1. Films for the whole school on the dangers of drugs, the defrauding of young people, and the efforts of our governments to prevent harm and mistreatment of the public. See the Audio-Visual Bibliography for a selection of material.
2. A speaker from various governmental agencies to speak on drugs (public helath department or county medical society), fraud, and other illegal activities (Attorney General's Office or District Attorney's Office).

3. Allow a Consumer Education class to prepare and present an assembly to the entire school on Fraud, Quackery and Deception. Give students a chance to share what they have learned. Allow them to determine what might be of interest to the school.

B. Individual Projects

1. Oral or written reports by the students on such topics as:
   a. Medical quackery
   b. Adulteration
   c. Fraud in automobile sales
   d. Deceptive packaging
   e. Legislation to limit fraud
   f. Deceptive advertising in any media
   g. Comparison shopping
2. Prepare a bulletin board or display of a student's individual study of a certain topic.

C. Small Group Activities

1. Dramatizations of typical frauds
   a. Bait and switch
   b. Non-existent stock
   c. Non-existent land
   d. Magazine subscriptions
2. Committee or individual reports on frauds which have been perpetrated upon friends, acquaintances, relatives, and neighbors.
3. Small group (2-3) to shop for examples of deception in packaging of merchandise.

D. Large Group Activities

1. Field Trips (See Unit I of this series)
   a. Food and drug stores. Students may observe regulations in operation. Ask the manager to explain the legal regulations pertaining to his store which are designed to protect consumers.
   b. Visit an appropriate court trying cases involving fraud. A call to the District Attorney's Office can provide information concerning cases scheduled.

E. Resource People

1. Local pharmacist
2. Local doctor or Medial Association representative (to speak on quackery)
3. Local postmaster (to speak on mail fraud)
4. Representative of the Better Business Bureau
5. District Attorney (on county-wide frauds)
6. Advertising manager of local newspaper
7. Speaker from the Bar Association of the local county
8. Insurance company representative (or Local Underwriters Assoc.)
9. Local Sheriff or Police Chief
10. Contact N.Y.S. Attorney General and Secretary of State for a representative of the respective offices.
11. A representative of the Bureau of Narcotics and Drug Control of the Department of Health to speak on drugs.

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Enforcement Report on Mail Fraud. Postal Inspection Service of U.S. Postal Department, Washington, D. C.

Fact Sheets. Food and Drug Administration, Director of Educational Services, Office of Education and Information, Washington, D. C. 20204.

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Your ABC's of Careful Buying - A Guide for the Consumer, New York State Dept. of Law, Albany, New York.

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Associated Films, Inc., 600 Grand Avenue, Ridgefield, New Jersey 07657.

A Report on Bootleg Industry
American Dental Association, 222 E. Superior Street, Chicago, Illinois 60611. Shows qualifications of a dentist in contrast to the untrained.

Consumers Want to Know — 30 min.
Consumers' Union Film Library, Mt. Vernon, New York.

Doubtful Dollars — 17 min. — color
Audio-Visual Center, Indiana University. (counterfeit money)

Drug Abuse - Heebies and Goofballs
Special report of Food and Drug Administration, Audio-Visual Facility, Public Health Service, Department of Health, Education, and Welfare, Communicable Disease Center, Atlanta, Georgia 30333.

Fine Art of Fraud
Bureau of Consumer Frauds and Protection, New York State Department of Law, Albany, New York.

Great Diamond Fraud — 30 min.
Sterling Movies, USA, Inc., 100 West Monroe Street, Chicago, Ill. 60603. free loan.

Health Fraud Racket — 28 min. — color
Communicable Disease Center, Capital Film Labs, 470 East Street, S.W., Washington, D.C. 20024. Exposes traps and trappings of the fraud, the quack, the charlatan.

Marketing Research Pays Off
U.S. Department of Agriculture, Washington, D.C.

Misery Merchants — 29 min.
Association Films, Inc., 600 Grand Avenue, Ridgefield, New Jersey 07657. Teaches to rely on doctors, not quacks.

Nail to the Floor
Better Business Bureau, Education Division, 220 Church Street, New York, New York. (bait and switch tactics)

Quacks and Arthritis — 7 1/2 min. — free loan
New York Arthritis and Rheumatism Foundation, 432 Park Avenue, New York, New York. How quacks take 1/4 billion dollars from victims of arthritis.

Quacks and Nostrums — 19 min. — $120 sale or rent
McGraw-Hill Book Company, Inc., Text Film Department, 330 West 42nd St., New York, New York. Shows the ways in which medical quacks dupe the consumer and steps taken by local and federal agencies to protect the public.

E. Filmstrips

Dr. Quack's Clinic — 40 slides
Photo Lab, Inc., 3825 Georgia Avenue, N.W., Washington, D.C. 20011. (On quackery, with a script). For sale at $4.25 per set.

Food Marketing Education for Consumers
U.S. Department of Agriculture, Washington, D.C.

Keep Out of Reach of Children — 22 slides
Photo Lab, Inc., 3825 Georgia Ave., N.W., Washington, D.C. 20011. Proper use of household chemicals. For sale at $3.50 per set.

Tell It to the Teens 25 min.

Bureau of Advertising, ANPA, 485 Lexington Avenue, New York, New York 10017. Vast teen-age market evaluation of all major media by teen-agers. 92 frames, sound. 1956.

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Banks
2. Insurance
3. Demand Deposits
4. Time Deposits
5. Interest
6. Credit
7. Savings and Loan Associations
8. Credit Unions

B. Understandings

1. Banks
   a. Banks, originated as safe-deposit institutions, now perform many currency, credit and other related services.
   b. A bank is a privately-owned, profit-making corporate enterprise.
   c. A bank is an establishment for the custody of money.
   d. A bank is an establishment for the transmission of funds by drafts or bills of exchange.
   e. A bank extends credit.
   f. Banks did issue paper money, but now all currency is issued through the Federal Reserve System.
   g. There are two major types of banks: commercial banks and savings banks, with each performing different functions.
   h. The main services provided by commercial banks are: checking accounts (demand deposits); savings accounts (time deposits); loans to businesses, consumers, farmers, etc.; mortgages to home buyers, businesses, etc.; transfer of checks and other funds; trust facilities; sale and redemption of government bonds; letters of credit, certified checks, etc.; and investment services.
   i. Commercial banks sometimes are called "department store banks" because they offer such a wide variety of services to the public.
   j. The main purpose of commercial banks is to lend money to business firms for short periods of time. However, they also provide valuable services for consumers.
   k. Many people are inexperienced in handling large sums of money. To protect them from fraud or poor judgement in making investments, the trust department of a bank frequently is designated to assume the responsibility of handling their funds. This is known as holding money (or other property) in trust.
   l. Many commercial banks serve as agents in the purchase and sale of securities.
   m. Banks act as an agent in the sale and redemption of government bonds.
   n. Savings banks serve as one of the chief agencies where depositors may place their money with the assurance that it will be both safe and will earn interest.

o. Services rendered by savings banks include the following: mortgage loans to individuals purchasing, building, or improving a house; Federal Housing Administration (F.H.A.) loans for home improvement or modernization; sale and redemption of United States bonds for their customers; passbook loans (loans on customer's deposits); money orders and cashier's checks; safe-deposit facilities; and some savings banks sell life insurance.

p. The main purpose of savings banks is to accept deposits from many individuals and to invest in long-term real estate mortgages and high-quality bonds. They, too, provide valuable consumer services.

q. Some banks provide money management counselling service to those who need it.

2. Insurance

a. F.D.I.C. and F.S.A.L.I.C. were established to protect bank depositors from losses due to bank failures resulting from depression or other causes.

b. Most commercial and savings banks provide insurance up to $15,000. on each depositors account through the Federal Depsoit Insurance Corporation (F.D.I.C.) -- an agency of the United States Government.

c. It is good business practice to deposit money only in banks which provide F.D.I.C. insurance or to buy shares only in savings and loan associations which provide F.S.A.L.I.C. insurance.

d. It is preferable to accept a lower interest rate in a financial institution which provides deposit insurance than to consider only the higher rate offered by an uninsured institution.

e. Many lending institutions offer and some require loss of income and/or life insurance on loans and mortgages.

3. Demand Deposits (checking accounts)

a. Demand deposits are subject to immediate withdrawal by a check written against the depositor's account.

b. A negotiable instrument is a promise or request in writing to pay a certain sum of money.

c. Negotiable instruments circulate like United States currency except that most checks and notes require endorsements to transfer ownership.

d. Checks and notes are used in place of cash for safety and convenience of persons transacting business.

e. Checks have become a major method of transmitting money because of the conveniences they provide as receipts.

f. Banks offer several kinds of checking accounts to the consumer designed to meet varying needs. Some checking accounts involve a required minimum balance, others include a charge for each check written.

g. A check need not be written on the standardized forms supplied by the bank. Some banks make a charge for processing checks which are not written on the form they supply.

h. Endorsements include blank, special (full), qualified and restrictive. (See Negotiable Instruments under Consumer Law - Topic XII)

i. The nature of the endorsement may limit or control the obligation of the endorser.

j. A bank statement serves as a useful guide in insuring the accuracy of the customer's account.

k. A depositor should reconcile his bank statement with his own checkbook each month - or as often as the bank issues statements. It is important to notify the bank immediately of any discrepancies.

l. Banks frown upon overdrafts and frequently make a charge to customers who overdraw their accounts. Accuracy in keeping a checkbook is a "must" for the wise consumer.

m. Overdrawing a checking account or drawing a check against a non-existent account with intent to defraud is a misdemeanor; forgery is a felony.

n. Forgery is fraudulently altering a negotiable instrument or disposing of a forged instrument. Notify the bank of the police immediately if you discover that your name has been forged to a check or note.

o. The law makes a distinction between an honest error and intent to defraud.

p. It is possible to stop payment on a check if the proper procedure is followed.

4. Time Deposits (savings accounts)

a. Time deposits may be withdrawn from a savings account by presenting a signed withdrawal slip at the teller's window, but some savings banks may require advance notice from a depositor before a withdrawal of a large sum can be made.

b. When deciding where to put savings, one generally should consider: safety of principal, earnings, liquidity, and purpose.

c. Good financial planning should include a savings program based on realistic short-term and long-term needs.

d. Short-term needs include: emergencies such as unemployment, sickness, accidents, death, etc.; vacations; furnishing a home; wedding expenses; funeral expenses; purchasing a car, an appliance, etc.

e. Long-term needs include: purchasing a home -- saving for the down payment; children's education; supplemental retirement fund; and investments -- business, real estate, insurance, securities.

f. Most people must postpone spending for immediate consumption in order to have money to satisfy future needs.

g. Establishing priorities of needs helps in gaining maximum satisfaction from limited financial resources.

h. Savings for marriage provides the funds necessary for a young couple to get started on a sound financial basis.

i. Social Security pensions provide only minimal funds for old-age retirement. Starting a savings program early in life to provide additional funds for retirement is good money management.

j. Except for short term accounts, most savings deposited in a savings institution earn interest.

k. The principal grows larger as does the interest for each succeeding period.

l. Compound interest gives savings "grow-power."

m. The wise consumer should take advantage of compound interest to increase the value of his savings.

n. If possible, money should not be withdrawn from a savings account until the end of the interest period -- generally at the end of each quarter.

o. It is up to the consumer to select the institution which most adequately meets his savings needs.

p. The concept of savings and its related understandings should be developed at the earliest possible age and be practiced by each individual.

q. Planned savings of a given amount of money each pay day develops the savings habit and is most likely to produce satisfying results for the saver.

r. A systematic savings plan: helps develop the savings habit; overcomes a tendency to "put it off"; provides satisfaction when a savings goal is achieved.

s. Systematic weekly deposits in a savings account will grow rapidly to sizable accounts.

t. A carefully developped individual or family financial plan helps to provide savings to achieve worthwhile goals and lessen anxiety during periods of emergency.

u. The exact amount an individual or family may save depends on such factors as: providing a reasonable emergency fund; the amount of discretionary income that is left over after paying minimal living expenses; needs and desires; family or individual financial plans; and will power.

v. Savings institutions such as savings banks, savings and loan associations and credit unions may provide payroll deduction plans as a stimulus to save.

w. Some people use savings as a basis for an investment program.

5. Interest

a. Interest is the payment made for the use of funds or the income received as the result of allowing one's funds to be used.

b. Savings banks are able to pay interest because they invest their depositors' money in home mortgage loans, F.H.A. home improvement loans, etc. at a higher rate of interest than is paid depositors.

c. It is smart to shop around and see which type of financial institution offers the most attractive interest rate on savings account deposits, with due regard to safety.

d. If interest is not withdrawn, it is added to the principal.

e. Some banks pay interest to the day of withdrawal; others pay interest only on the balance at the end of each quarter.

6. Credit

a. Credit is a promise of future payment in kind or in money given in exchange for present money, goods, or services.

b. The ability to obtain credit is based upon a credit rating which is determined by the past performance in meeting financial obligations and the potential to meet future obligations.

c. One who has never used credit has no credit rating because he has no credit experience.

d. Credit may be obtained from banks.

e. A recent innovation in bank credit is found in a variety of bank charge plans.

f. If the borrower's credit is not adequate, the lender may request that another person sign a note as an "accommodation endorser." This accommodation endorser then must pay if the borrower doesn't.

g. As a general rule, it is not advisable to sign as an accommodation endorser unless you are prepared to pay the obligation if necessary.

7. Savings and Loan Associations

a. Technically, savings and loan associations are not banks, but they do perform some of the functions of a bank.

b. Savings and loan associations are cooperative thrift associations which encourage home ownership.
c. Savings and loan associations -- also called building and loan associations -- specialize in lending money to home buyers.
d. Savings and loan associations derive most of their income from real estate mortgage loans.
e. Depositors receive shares as evidence of their investment in savings and loan associations.
f. Savings and loan associations, by the terms of their charter, may establish the terms for withdrawal of deposits.
g. Investment in savings and loan associations shares may be insured by the F.S.A.L.I.C. up to $15,000. and investors should be careful that their deposits are covered in this insurance.

8. Credit Unions
a. Credit unions are not classified as banks, but are defined as cooperative associations "organized to promote thrift among their members and to create a source of credit for useful purposes."
b. Credit unions are a good source for members to obtain credit at reasonable rates.
c. Investing in credit union shares may provide a favorable return to members of the credit union.

II. SUGGESTED VOCABULARY

Accommodation endorsement
Balance
Bank
  --see also - central bank
               commercial bank
               department store bank
               savings bank
Blank endorsement
Bills of exchange
Cashier's check
Central bank
  --see also-Federal Reserve
Certified check
Charge-a-loan
Check
  --see also - cashier's check
               certified check
               draft
               traveler's check
Checking account
Christmas club
Collateral
Collateral loan
Commercial bank
Commercial paper
Compound interest
Credit
Credit union
Currency
Debit
Demand depositor
Department Store Bank
Deposit
Depsoit slip
Discretionary income
Draft
Endorsement
  --see also - accommodation, blank, qualified, restrictive, and special (full) endorsement
Endorser
Federal Deposit Insurance Corp. (F.D.I.C.)
Federal Housing Administration (FHA)
Federal Savings and Loan Insurance Corporation (F.S.A.L.I.C.)
Federal Reserve System
Felony
Forgery
Fraud
Grow power
Interest
  --see also - compound interest
               simple interest
Interest rate
Kiting - writing a check
Loan
  --see also - charge-a-loan
               collateral loan
               mortgage
               passbook loan
               personal loan
Letter of credit
Liquidity
Long-term needs

Misdemeanor
Money
Money income
Mortgage
Needs
Negotiable Instrument
Overdraft
Paper money
Passbook loan
Personal loan
Planned savings
Prime interest rate
Promissory note
Qualified endorsement
Restrictive endorsement
Safe-deposit
Savings and loan association
Savings account
Savings bank
Short-term needs
Simple interest
Special (full) endorsement
Statement
Time deposit
Traveler's check
True annual interest rate
Trust
Vacation club
Veterans Administration Home Loans
Withdrawal slip

II. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Savings involves giving up some present good or service in favor of a more rewarding future one.
2. A good savings plan begins with specific goals.
3. Small regular savings can grow to a significant size.
4. Comparison shop when considering a financial institution, for variations in services and charges.
5. Banks are under governmental control and have had extensive experience with savers.
6. Credit has many advantages if it is used properly.
7. Financial institutions provide protection for excess funds which would rarely be available at home.

B. Abilities to be developed:

1. Understand the contents and implications of standard financial forms and documents.
2. Integrate borrowing and saving within the total budget.
3. Understand the services offered by financial institutions and select the proper institution for each purpose and need.
4. Use credit wisely.
5. Develop mathematical ability to keep a check book, balance the check book, reconcile the bank statement, compute interest, compute true interest rate, and other computations relating to banking and saving.
6. Gain a working understanding of the vocabulary of banking and saving.

IV. ACTIVITIES

A. Individual Activities

1. Ask students to relate personal or other experiences with banking services. If the student has a personal account, ask him to describe how the account was opened, when interest is paid, what the interest rate is, and for what purpose he is saving.
2. Have one individual go to one place or several go to different places seeking answers to specific questions.
   (a) Go to a savings bank and ask what the current interest rate is.

b. Go to a commercial bank and inquire as to the service charge on a demand deposit.
c. Go to a savings and loan association and determine the rate of interest on a home mortgage.

3. Student visit -- Ask the student to go to a specific institution for some specific reason. The reason is secondary in nature. The primary purpose is to get the student, alone, into the instiution where he has a chance to become familiar with the surroundings, staff, and procedures.
4. Scrap book -- Keep a topical scrap book of pamphlets, magazine articles, newspaper clippings, etc.
   a. Forgery
   b. Interest rates
   c. Mortgages
   d. Etc.
5. Wall chart -- Have a student create a topical wall chart or display.
   a. "Which kind of endorsement should I use?"
   b. "How to write a check"
6. Tables, graphs, pictures, etc.
7. Book reports, reviews, notices
   a. Factual -- text or reference type.
   b. Historical -- Federal Reserve System, Wildcat Banking, Bank of the U.S., etc.
   c. Biographical -- bankers, governmental officials in regulatory agencies.
   d. Fiction - Banker as a central character.
8. Write to some distant source for information.
   a. Out of town bank.
   b. An embassy for banking information in another nation.
   c. To a national association. (ABA)
   d. To a governmental agency. (FHA)
   e. Etc.
9. News Research -- reward students who are first to present to the class some bit of information from the current media which has a bearing on the topic.
10. Textbook-media search -- assign a brief written report to contain the following: a bit of information from current media concerning the topic and illustrating something from the textbook, bibliographic documentation, and the point in the text which is being illustrated.
11. Research using pamphlets, periodicals, newspapers, microfilm, resource persons, and other sources to find answers to specific questions. May be in oral and/or written form.
12. Research papers.
13. Poll or survey.
   a. Do you save?
   b. Regularly?
   c. How much?
   d. Etc.

B. Group Activities

1. Field Trip--related to banking and saving
   a. Financial institution
   b. Place of business
   c. Homes or/and apartments

2. Workbook -- Create a fictional average family situation with typical financial problems and transactions. Develop a series of problems and business deals involving banking and saving. Ask individuals as homework or the class to propose solutions and then study the documents, fill in the forms and answer questions to demonstrate understandings and concepts involved.
3. Use or have a student use chalk board or overhead projector to describe and illustrate the computation of interest rate, filling in of forms, etc. for the class.
4. Audio-visual - use prepared or student-made materials.
   a. Taped interviews or skits.
   b. Movies including student-made and teacher-made.
   c. Slides.
   d. Filmstrips.
   e. Recordings.
   f. Transparencies.
   g. Etc.
5. Discussion
   a. Difference between time and demand deposits.
   b. Advantages of one type of checking account over others.
6. Debate
7. Plays and skits - write up and set out a financial situation.
   a. Applying for a loan.
   b. Opening an account.
   c. Making a withdrawal.
   d. Making application for a mortgage.
   e. Etc.
8. Display board - topical - see Individual Activities - wall chart.
9. Quiz - choose sides and quiz down to last student remaining.
10. Guest speakers - resource persons.
    a. Any typical articulate consumer.
    b. Person who is anti-(bank, credit, savings, etc.)
    c. Person who is pro(bank, credit, savings, etc.)
    d. Officials of financial institutions.
       (1) Teller
       (2) Loan officer
       (3) Trust officer
       (4) Bookkeeper
       (5) Etc.
    e. A businessman who transacts business with persons in another nation.
    f. A businessman
    g. A bank examiner
    h. The District Attorney
    i. An official of a related governmental agency.

V. BIBLIOGRAPHY

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B. Films

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Federal Reserve Bank and You, F.S.S., 1950, 27 min., 16 mm, Sound,
Future Unlimited, ABA, 13 min., 16 mm, sound, b&w.
How to Use Your Bank, ABA, 1956, 10 min, 16 mm, sound, b&w, free loan.
Kings X, AFL-CIO, 1954, 30 min., 16mm, sound, b&w.
Money on the Move, F.R.S., 1963, 27 min., 16mm, b&w.
Take Care of the Bank, NABAC, 1962, 20 min., 16mm, sound, b&w.
Your Bank Account, MI-AV, 30 min., 16 mm, sound, b&w.

See also film indexes and distributors' catalogs.
NOTE: All films are recommended for senior high, college, and adult.

C. Filmstrips

NOTE: Filmstrips can be made by students, teachers, and school AV staff. A number are also known to be available from various groups such as those listed in the source index. Some are currently being produced by commercial sources--consult commercial catalogs.

D. Microfilm

Microfilm of all of the periodicals listed in the Readers' Guide to Periodical Literature are available at about $3.50/year/periodical from University Microfilm, 300 North Zuh Road, Ann Arbor, Michigan 48106. Also available are

readers and prints. From UM a Model 1013 Reader for individual use is available at $125.00. A lightweight reader suitable for home use is available at about $80.00. Reader-Printers for production of copies, masters, and transparencies are available at about $1200.00 from Xerox in Rochester, New York.

Other producers of microfilm resources, readers, and related equipment include NCR, IBM, 3M, Kodak, N.Y. Times, CBS Labs, as well as Xerox-UM.

Micro-media is new, exciting, and promising, and the consumer education teachers should be aware of trends in this direction.

E. Newspapers

NOTE: Newspapers are an invaluable current, local source of information.

1. Local paper
2. New York Times
3. Wall Street Journal
4. Barron's Business Review (weekly)

F. Pamphlets

Business in Brief. Economic Research Division of the Chase Manhattan Bank, New York, New York 10015.

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Hi! I'm Mr. Moneywise. I'd Like to Tell You Why I'm a Credit Union Member. U.S. Department of Health, Education and Welfare, Social Security Administration, Bureau of Federal Credit Unions, Washington, D.C.

Investing for Income and Security. Public Affairs Pamphlet No. 317, Maxwell S. Stewart, Public Affairs Pamphlets, 22 East 38th Street, New York, N.Y.

Investing Your Savings. Herbert W. Bohlman & Edna McCaull Bohlman, Educational Opportunities Division, Follett Publishing Company, Chicago, Illinois.

List of Materials on Money and Banking for Elementary and Secondary Schools. School Relations Program, Banking Education Committee, The American Bankers Association, 12 East 36th Street, New York, New York 10016.

Making the Most of Your Money. Educational Division, Institute of Life Insurance, 277 Park Avenue, New York, New York 10017.

Modern Money Mechanics - A Workbook on Deposits, Currency, and Bank Reserves, Research Department, Federal Reserve Bank of Chicago, P.O. Box 834, Chicago 90, Illinois.

Money and Banking in the American Economy. Council for Advancement of Secondary Education, 1201 Sixteenth Street, Northwest, Washington, D.C.

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Money Management --Your Savings and Investment Dollar. Money Management Institute of Household Finance Corporation, Prudential Plaza, Chicago, Ill. 60601.

Monthly Review. Federal Reserve Bank of Kansas City, Federal Reserve System, Kansas City, Missouri 64198.

Morgan Guaranty Survey, The. Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, New York 10015.

Personal Money Management. Savings Division, The American Bankers Association, Banking Education Committee, 90 Park Avenue, New York, New York 10016.

Publications Catalogue. Educational Services Division, National Consumer Finance Association, 1000 16th Street, N.W., Washington, D.C. 20036.

Shopping for Credit, Pamphlet No. 16, by Richard Morse, Council on Consumer Education.

Slide Guide - Divided Responsibility Family Budget Plan. Educational Services Division, National Consumer Finance Associations, 1000 Sixteenth Street, N.W., Washington, D.C.

Story of American Banking. The American Bankers Association, 90 Park Avenue, New York, New York 10016.

What are Credit Unions and How to Use Them. Credit Union National Association, Inc., 1617 Sherman Avenue, P.O. Box 431, Madison, Wisconsin.

What Everyone Should Know About Checking Accounts. Channing L. Bete Company, Inc. 45 Federal Street, Greenfield, Massachusetts 01301.

Your Money Supply. Library Research Department, Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, Missouri 63166.

G. Periodicals and Indexes

NOTE: Except for the first two, several of the remainder on the list are likely to be found in the average high school library.

Bankers
Better Homes and Gardens
Business Periodicals Index
Business Week
Changing Times
Education Index
Everybody's Money, a magazine for credit union members
Fortune
Good Housekeeping
McCall's
Newsweek
Readers' Guide to Periodical Literature
Time
U.S. News and World Report

H. Slides

NOTE: See note for filmstrips
Transparencies - NOTE: see note for filmstrips

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Economic Growth
2. Savings
3. Investments
4. Risk
5. Stocks and Bonds
6. Stock Market
7. Self Regulation
8. Government Influence

B. Understandings

1. Economic Growth
   a. Economic growth can be measured in terms of per capita GNP (Gross National Product) and per capita income.
   b. Economic growth is dependent upon the process of capital accumulation. Rising income is accompanied by an increase in the propensity to save, thus furthering the process of capital accumulation.
      (1) The immediate generator of economic growth is investment. Economic growth is the result of past savings and investments.
      (2) Investment dollars create new jobs and products and promote economic growth.
      (3) Innovation, inventiveness, education, research, political stability, rising income, a healthy and vigorous population, and faith in the business climate are some factors which tend to increase opportunities for successful investment.
   c. The free enterprise system is plagued by a phenomenon known as the business cycle, the causes of which are not entirely understood.
      (1) Monetary and fiscal policies are weapons used to control the business cycle by affecting the money and credit supply and spending in order to promote economic growth and stability.
2. Savings
   a. Savings is the storing up of purchasing power.
      (1) Savings is that part of income not spent for consumption.
      (2) Saving for future needs necessitates foregoing present consumption.
      (3) Desire to save must be weighed against opportunity cost.
   b. Establishment of goals for the future increases the incentive to save.
   c. The volume of savings is influenced by many factors:
      (1) Individual and family social values.
      (2) Habits of thrift.
      (3) Security and safety of principal.
      (4) Need for liquidity - ease of withdrawal, redemption, or sale.

(5) Rate of interest or return on investment.

d. Money should be put to work wisely in order to earn more money. Investment, rather than hoarding money, helps to increase one's income.

e. Savings bank accounts generally pay higher rates of return than savings accounts in commercial banks. Many savings and loan associations pay higher rates of return than savings banks.

f. Series E savings bonds are also a good investment because of the factors of safety and liquidity. This interest rate is generally lower than that paid on savings bank accounts.

g. The greater the family income, the lower is the percentage necessary to meet ordinary living expenses.

h. Employers, as well as governments, have programs for enforced savings, such as pension plans and Social Security.

3. Investment

a. Investing is putting savings to work to earn an income.

b. An individual should first provide cash reserves and insurance before starting an investment program. Then excess funds may be invested in high quality securities.

c. Investment may take several forms; stocks, corporate and government bonds, savings accounts, mortgages, real estate, and mutual funds.

d. Business firms use the investments of individuals to provide new capital, expand industrial capacity, and thus increase profits.

e. Investing had made it possible for millions of people to share in the ownership of many American businesses.

f. Investment goals may be related to providing a hedge against inflation, and providing individual and family security for education, vacations, retirement, emergency funds for illness, unemployment, and future large purchases (as a house).

g. Individual and family values influence goals.

h. Investment plans should encompass both present and future needs.

i. Needs and wants vary with individuals and families and are influenced by various economic and social pressures.

j. Various types of investments help long-term goals and attain economic security.

k. A sound investment policy requires an individual to be guided by sound information.

l. The careful investor finds selecting a brokerage firm and broker is very important.

(1) Reputable brokerage firms do not use high pressure sales techniques, and the small investor should avoid high pressure security salesmen.

(2) Things to consider in selecting a brokerage firm.

(a) New investors should attempt to make an intelligent evaluation of a firm's research.
Get on several mailing lists and compare for six months to two years back. Look for depth, insight, and soundness of recommednations in the light of actual performance.

(b) One should check to see if the firm is listed as a member of the New York Stock Exchange.

(c) Are personnel and facilities adequate during periods of heavy trading? Does one know of any firm nearby? Can the individual reach the firm with a local phone call? Can he get down to see them easily?

(3) After selecting the firm, it is time to search for the Man (Cusomter's man or registered representative).
(a) His personality and experience are probably as important a factor as the company behind him. How well does the man understand the investor and his objectives? Does the individual have a good rapport with him? Confidential details will be discussed - income, investments, business, and personal goals.
(b) Unless one has unusual faith in the man, or long and successful experience with him, it would probably be unwise to put one's faith in him alone.

m. Rules for investing:
(1) Remember the risks as well as the rewards.
(2) Always get the facts about the company.
(3) Get good advice from a reputable broker.
(4) Be sure you have provided for family emergencies.
(5) Tailor investments to your goals.

n. The small investor should set reasonable investment objectives. Then he should invest systematically to achieve these goals.
(1) Reasonable diversification of investments is a good policy for small as well as large invesotrs in order to spread the risk of loss.
(2) Selective buying is the "spice" of sound investment, but "over diversification" should be avoided. Consider selecting a few "top notch" firms and sticking with them as long as they perform well.

o. The wise investor seeks to preserve his principal.
(1) Elderly people are generally concerned most with preservation of capital, seeking an added income from dividends or interest. They invest in high grade bonds or preferred common stock of established companies with long records of profitable operations.
(2) Young people are generally concerned most with increasing their capital with or without dividends or interest. They select companies whose outlook for growth and expansion is promising.
(3) Speculating in stocks of questionable financial quality in the search for quick profits is a poor practice for the small investor.
(4) If the price is too high, even the best securities may not be a good investment, especially in the short run.
(5) An investor should be familiar with the principle of price/earnings ratio.
(6) Although investment in stock can generally be a hedge against inflation, the stock market can decline in periods of inflation.
(7) "Averaging out" on a downswing in the market can be a dangerous practice if the market has not reached the bottom of this swing and begun to level off.

p. A wise investor will periodically review and re-evaluate an investment to see if any changes are taking place that may affect the quality of the investment.
(1) He must keep abreast of economic changes and changes in industrial growth. Some examples:
During 1967-68, the trend toward industrial conglomerates

began to represent one of the most conspicuous places of rising earning power in American business.
Stocks of companies like IBM, Polaroid, and Xerox, which were the first generation of postwar growth stocks have become commonplace staples of a prudent man's portfolio. A second generation of postwar growth stocks has sprung up in the areas of data processing and office equipment.

4. Risk
   a. Although some kinds of risk are safer than others, risk is a necessary component of investment. Some of the common risks relate to changes in the value of the investment, money-rate risks, and price-level risks.
      (1) The so-called safe investments are the best foundation for financial security.
         (a) An investment is called "safe" if its dollar value remains constant.
         (b) An investment is called "risky" if its dollar value is subject to change - either up or down.
         (c) The risk with a fixed-dollar investment is that inflation may reduce the value of its purchasing power.
      (2) The less money a person has to invest or the greater his obligations are, the less risk he can afford to take.
   b. There are two classes of persons who buy corporate securities: investors and speculators.
      (1) Investors ideally seek to minimize risks and maximize profits. They follow long-range plans.
      (2) Speculators take large risks with the hopes of making either quick profits or large capital gains. As the risk becomes greater, the purchase becomes more speculatative.
   c. One can spread his risks by purchasing stocks in different industries. It is difficult for a small investor to spread his risks if he buys securities outright.
      (1) Mutual Funds
         (a) Mutual funds or investment companies invest funds in a diversified group of securities of other corporations which are considered to be financially sound and well managed. These funds sell shares to investors, invest the proceeds, and have such investments managed by trained and experienced investors.
         (b) Mutual funds derive an income from the dividends and interest received on the securities they hold in other companies and from capital gains which result from the sale of such securities. A shareholder in a fund participates in this income by receiving dividends in proportion to the shares he owns.
         (c) Mutual funds permit the sharing and minimization of risk.
      (2) When considering mutual funds, one should be aware of the purpose of the fund-growth or appreciation of capital or income producing - and the loading charges involved. Statistical surveys are available periodically which rate the performance of funds according to different criteria. The problem of selecting a fund is as great as selecting individual companies.
         (a) Open-end funds will repurchase shares at any time

and at their net asset value. Shares are issued and retired at any time.

(b) Closed-end funds have a fixed capitalization or limited number of shares. Buying shares here is similar in process to buying shares in a corporation.

(c) The shares of mutual funds purchased through salesmen involve a loading charge that ranges from 7 1/2 to 9 1/2 percent of one's investment. This fee is charged against the first year's investment and is called "front-end loading." This is a serious disadvantage to an investor who discontinues the fund in the short-term for he stands to lose 1/2 of his final year payments. After starting a fund, the investor then pays a management fee of about 1/2 of 1% of his net asset value yearly.

(d) No-load mutual funds only charge an annual management fee of 1/2 of 1% of net asset value. The small investor should consider the attractiveness of no-load funds.

d. Beware of the stock tout. Investors are generally burned by "hot tips."

5. Stocks and bonds

a. Some of the stocks and bonds of American corporations offer attractive opportunities for investment.

b. Stocks represent ownership. Two kinds of stock are common and preferred. Preferred stock has prior claim over common stock to earning power and assets of a corporation. Dividends are paid to preferred stock before they are paid out to common stock. Preferred stock may be cumulative or non-cumulative. If the former, dividends bypassed one year must be made paid up the next year in addition to the current dividend before common stockholders can receive any dividend. Preferred stock has a fixed rate of return. Common stocks usually have voting rights, although some corporations divide their common stock into voting and non-voting stock.

(1) Common and preferred stocks differ in the degrees of risk, in voting rights, and in that preferred stocks have a stated or fixed rate of return.

(2) A share of stock represents a stockholder's interest in a business enterprise.

(3) Stockholders receive dividends if the board of directors declares one. Generally dividends are paid quarterly and they depend upon such things as the company's earnings and need for money to plow back into its operations.

(4) Stockholders enjoy limited liability.

c. A corporate bond, like a promissory note, is an evidence of debt.

(1) Bondholders are creditors and generally have first claim to the assets and earning power of a corporation.

(2) Debentures have no specific security for their repayment. Many bonds are secured by a specific pledge of property (mortgage bond). Evidence indicates that the most important consideration is the corporation's ability to pay.

(3) Bonds may be long-term bonds or they may be retired in installments at time indicated on the bonds. Callable bonds usually involve a premium when called in by the

issuer. Some bonds may be converted into other bonds or stocks.

(4) Bond interest is generally paid semi-annually, and bondholders receive interest at a fixed rate based on the face value of the bond. Income bonds, however, do not contain any provision for fixed interest.

d. Dividends are paid out of the profits earned by a business, while interest is a fixed cost of production.

(1) Whereas the earnings of a corporation determine how much it pays in dividends, the rate of interest on corporate bonds is determined by interest rates in general when the bond is issued, by the type of bond, and by the credit rating of the issuing corporation.

e. Quotation of securities:

(1) Stocks are quoted in dollars and cents. A quotation of 98 1/4 means the market price is $98.25.

(2) Bonds are quoted as a percent of face value. A quotation of 98 1/4 means the market price is $982.50.

f. Market value of corporate securities is determined by what others are willing to pay for them.

(1) Common stocks fluctuate more in price than other corporate securities.

(2) Common stocks may not be a good way to invest short-term savings because their prices may fluctuate widely and sharply.

(3) Corporate bonds are usually more stable in price than common stocks because their value is not tied directly to the day-to-day fortunes of the business.

(4) Investment in a high-quality common stock may be less risky than purchasing a bond in a corporation that is financially weak.

(5) In periods of inflation, the price or value of bonds may remain the same or possibly fall, while the price of many stocks will generally rise.

(6) Keen investors look for bargains in high quality securities after a boom when prices have declined.

g. Bonds of strong and sound corporations are generally regarded as safe investments, although perhaps not as safe as the investment in U.S. government securities.

(1) The rate of return on corporate bonds is generally a little more than that on savings bonds.

(2) The small investor may gain little by choosing corporate bonds over savings bonds. Savings bonds, if not held to maturity, will pay a lower rate of return than the stated rate at maturity.

(3) Before investing, it is desirable to compare the interest rate on U.S. bonds with the rate offered by local commercial and savings banks and savings and loan associations.

(a) One should check to see if these savings institutions carry deposit insurance: Federal Deposit Insurance Corp., Federal Savings and Loan Insurance Corp.

h. The annual rate of return on an investment is called the "yield"; it is usually expressed as a percent.

i. One should hesitate to buy when the price of a stock is high in relation to its present or projected earnings of stock market analysts.

6. Stock Market
   a. The stock exchange provides the market place where brokers representing buyers and sellers meet. It is an international market place with auction prices for the buying and selling of corporate stocks and bonds.
      (1) The stock exchange gives liquidity to investments.
      (2) Exchanges
         (a) New York Stock Exchange
         (b) American Stock Exchange
         (c) Over-The-Counter
         (d) National Exchange
   b. Competition is an essential part of the market mechanism.
   c. Market value for securities is established through the forces of supply and demand.
      (1) Market fluctuations may represent rational as well as irrational thinking on current economic conditions and changes or on future economic changes or trends as they relate to the economy and to stockholdings. They may be influenced by money rates and returns on investment in other areas. They may be influenced by the forces of inflation or deflation. They may be affected by margin rates. They are influenced by the conditions of the firm and its prospect for growth and profits compared to other firms and industries.
      (2) Market fluctuations on a particular stock may follow a general trend without being related to the present condition of the firm.
   d. Stocks may be bought on margin.
      (1) The customer pays the stockbroker, who does the actual buying, only a part of the purchase price of the stocks. The broker borrows from a bank the remainder needed to pay for the securities, and the customer pays interest to the broker.
         (a) Margin rates are established by the Federal Reserve System.
         (b) Margin buying must be used cautiously. A downswing in the market may require an investor to put up more cash to protect his investment. If the investor lacks this additional cash, he will be forced to sell his holdings even though he believes the future for his stock is good.
7. Self Regulation
   a. Organized stock exchanges impose regulations on firms whose stock is listed on their exchange.
      (1) They establish listing requirements.
      (2) Trading rules are established.
      (3) They may impose 100% margin rates on stocks showing "over activity."
      (4) They carefully follow trading in stock to uncover illegal activity and improper influence.
      (5) Rules for those holding a "seat" on the exchange are also established.
8. Government Influence
   a. Government Regulation
      (1) The Securities and Exchange Commission supervises the sales practices of brokers, salesmen, and underwriters, as well

as the practices of corporations related to the information they release regarding their listed stock.

(a) The S.E.C. uses its regulatory powers to prevent manipulation of security prices.

(b) It does not guarantee that a security has financial merit. It merely requires full disclosure of financial data.

(c) Stock offerings must be described in a prospectus.

(2) The New York State Penal Law provides penalties for certain practices which may harm the investor.

(a) This is handled by the office of the Attorney General.

b. Influence of government

(1) The government has tended to play an increasing role in promoting economic growth through the support of education and welfare. This has helped to spur investment.

(2) Government monetary and fiscal policies have affected stock market activity and interest rates.

(3) Governments borrow by selling bonds to private individuals.. businesses and banks, paying interest on their obligations in order to encourage their purchase. The effects of such activity are felt in the various money markets.

II. SUGGESTED VOCABULARY

A. Economic Growth

Gross National Product
Per Capita Income
Capital
Capital Accumulation
Propensity to Save
Economic Freedom
Free Enterprise
Innovation
Inventiveness
Material Welfare
Business Climate
Business Cycle
Monetary Policy
Fiscal Policy

B. Investment

Principal
Securities
Savings Account
Long-Term Goals
Short-Term Goals
Planned Savings
Prudent Investment
High Pressure Salesmen
Broker
Dealer
Registered Representative
Trading
Cash Reserves
Selective Buying
Diversification
Economic Security
Over-Diversification
Price/Earnings Ratio
Averaging Down
Leveling-Off
Growth Stock
Real Estate
Investor
Mortgage
Intrinsic Value
Redemption
Appreciation of Capital
Hoarding
Dividends
Interest Rate
Safety of Principal
Commercial Bank
Savings and Loan Association
Deposit Insurance
Assets
Social Pressures
Speculation
High Grade Security
Market Downswing
Industrial Conglomerates
"hot tip"

C. Savings

Real Income
Opportunity Cost
Individual Values
Thrift
Consumption
Inflation
Social Values
Liquidity

D. Risk

Safe Investment
Fixed Dollar Investment
Speculator
Capital Gains
Mutual Funds
Money-Rate Risk
Capital Appreciation
Bear-Bull Market
Bull-Bear Market
"hogs"
Price-Level Risk
Market-Value Risk

E. Stock Market

Stock Exchange
Auction Prices
Big Board
Market Fluctuation
Margin
Monthly Investment Plan

F. Stocks and Bonds

Common Stock
Preferred Stock
Stock Certificate
Corporate Bonds
Bondholder
Series E Savings Bonds
Limited Liability
Creditor
Equity
Par Value
Market Value
Face Value
Maturity Date
Quarterly
Semi-Annually
Stock Split
Proxy
Yield
Bluechip
Annual Report
Balance Sheet
Earnings Report
Order
Quote
Bid and Asked
Market Price
Buying at Market
Commission
Discretionary Account
Dow Jones Average
N.Y.S.E. Index
A.S.E. Index
Dollar Cost Averaging
Specialist
Options

G. Government Regulations

Securities Exchange Commission
New Issue
Financial Data
Stock Offering
Prospectus
Listed Stock

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. A sense of responsibility in each student for the achievement of his own financial security.
2. The privileges of democratic living and the free enterprise system necessitate acceptance of individual responsibility.
3. Hard work and judicious use of income and savings are honorable attributes in our society.
4. Systematic saving enables individuals to achieve future financial security.
5. A desire in each pupil to develop his abilities and talents in personal finance to the limit of his capability to improve his

material welfare.

B. Abilities to be developed:

1. Understanding of the various ways of investing money and the risks involved.
2. An ability to choose investments which fulfill the investor's goals and objectives.
3. Knowledge of how to establish realistic financial goals.
4. Knowledge of systematic savings plans as a way to achieve future goals.
5. Build a successful savings plan.
6. Be able to invest prudently.
7. Develop the habit of saving as early as possible.
8. Engage in logical, critical, and analytical thinking concerning possible investments. Act cautiously, wisely, prudently, and judiciously where money is involved.
9. Read and interpret graphs, charts, and statistical data.
10. Develop a capacity to find out more and ask questions.
11. Keep abreast of current financial and business trends by fostering the habit of reading financial sections of newspapers, periodicals, and financial research reports.

ACTIVITIES

A. Assembly Programs

Student activities, in general, should permit students to work to the level of their capacities and to be as creative as their mental and other talents will allow them. No student is without hope, and each student can make some contribution to a unit of study which excites him - While an assembly program can be arranged with a local banker and/or broker conducting the program, it may be more meaningful and exciting if students can use their talents, to personally conduct such a program or to take the leading role. This unit of study also lends itself very well to student-parent cooperation and participation. Thus, a teacher will consider all possible avenues of approach, even though space limitations prevent detailing all activities.

In planning the assembly program the teacher must be careful to avoid covering too many topics at one time. Specific objectives must be pinpointed. For example, it would be difficult to discuss the importance of thrift, how to develop a successful savings plan, and the techniques of investing in one assembly program. The objective should be to interest all students present at the program. Since many students would not be familiar with or interested in the intricacies of the stock market, it might be preferable to give priority to the basic advantages of thrift and savings as a way to improve one's material welfare.

One possible approach, in line with the thinking above, would be a program on the need for a successful savings program, culminating with the idea that the judicious use of savings can raise our standards of living. Teachers can include the short film, "Your Thrift Habits," which shows how to plan for savings and how to spend wisely to make savings possible. Students can prepare attractive posters illustrating essential rules for saving successfully. Other posters can present

visual interpretations of the benefits derived from a savings program, as well as the pitfalls which result from the lack of one. Contrasts and comparisons can be made.

After this film, a group can put on a skit entitled "Saved by Savings". This can be followed by students interviewing a local banker to find out what advice he would give to those desiring to set up a savings program, or what advice he would give to beginning investors. If time permits, a question and answer period can be arranged. A follow-up discussion should take place in the Consumer Education class, and, if at all possible, in all social studies classes.

Before the assembly, the teacher should consider setting up a display near the auditorium area of posters and other material depicting the results of individual or class projects.

B. Individual Projects

1. Posters or charts
   a. Have individual students prepare posters on each of the topics in the unit to be used to introduce the particular topic for study. Discussion of these posters can provide the motivation for the lesson.
   b. A variation of the theme above would be to have the individual students prepare the copy based upon what they think is involved in the understandings. At the conclusion of the topic, have these same students prepare new copies which incorporate their learnings. A comparison of the individual themes - before and after - can be a useful evaluation tool.
   c. Have a student prepare a poster illustrating the rules for saving successfully: prudent investing, etc.
   d. Posters can illustrate the words and terms in the "Suggested Vocabulary" of this unit. Contrasts would be helpful.
   e. Make a poster with the caption "Investigate Before You Invest."
   f. Prepare a chart illustrating investing as recommended by the New York Stock Exchange.
2. Student reports on the following topics:
   a. How to read the newspaper's stock market page.
   b. The art of saving and investing.
   c. The pitfalls of seeking "quick money."
   d. "Bears sometimes make money; bulls may make money; but hogs usually lose."
   e. Protecting the investor during inflation.
   f. Differences in the degree of safety between government and corporate securities, or between the various types of corporate securities, or between the various financial institutions which will accept savings of individuals.
   g. Are all government securities equally safe?
   h. Buying stock on margin: How is it done? When should it be done? Advantages and disadvantages.
   i. How the Over-the-Counter market operates.
   j. How I started investing. (If appropriate)
   k. What it means for a person to invest in himself and how young people can invest in themselves.
   l. How a person can wisely decide whether or not to buy stocks.
3. Have one or more students investigate the Investment-Insurance Plan of mutual funds which combine easy accumulation of fund shares with

reducing term, group insurance - assuring mutual fund plan completion in the event of death. Is this a helpful and inexpensive aid to financial planning?

4. Have individual students interview local bankers and brokers on the various themes in the unit of study.

C. Small Group Projects

1. Dramatizations to illustrate special points, principles, and understandings.

   One example would be to appoint a committee to write and put on a skit entitled "Saved by Savings" in which a family's savings see it through an emergency or enable it to take advantage of an opprotunity.

2. Panel discussions on such topics as: How Investors Differ; How to Select a Brokerage Firm; Should We Accept Any Registered Representative Assigned to Us; How About Penny Stocks.
3. Have students use the library facilities and interview local brokers, as well as write to the State's Attorney General for information on schemes to defraud investors and the pitfalls of seeking "quick money".
4. Library reports using such magazines as Fortune and Forbes can be used to discuss interesting developments within various firms.
5. Have several committees interview several local bankers and brokers and parents who are investors to find out what advice each would give to beginning investors. The various replies should be compared, analyzed, and evaluated. Each group may highlight findings on the board or on posters.
6. Have a group of students prepare an article for the school newspaper on "Opportunities for the Small Investor" or "A Good First Investment."
7. Ask a group of students to prepare a list of institutions in the community that accept savings. A comparison of the interest rates paid by these institutions should be included. This can become part of a bulletin board display.
8. Have students investigate and report on career opportunities in the investment and financial industry.
9. Have a group originate or complete the story of a business:
   a. Write articles of incorporation.
   b. By-laws.
   c. Capitalization of corporation through sale of stocks.
   d. Election of board of directors.
   e. Officers of the corporation.
   f. System of keeping records.
10. Choose three stocks and record the price of each at the close of trading each day for a three week period. Several students may do this and compare the results of the market operations. A line graph may be drawn showing comparative rise and fall of prices for each of the three stocks purchased.

D. Large Group Activities

1. Field trips to the local office of a stockbroker where there is a board showing current happenings on the NYSE or to the Exchange itself. This activity should be preceded by a film, such as the "Work of the Stock Exchange" or "What Makes Us Tick." Follow the

procedure given in the "Unit I Consumer Purchasing" for planning and conducting the field trip.

2. Have students whose parents own corporation stock bring to class annual corporation reports to stockholders. Copies can also be obtained from corporations. Students could write to a corporation of their choice and request a copy. Discuss the kinds of information contained in these reports. Ask students if they would like to own stock in any of the corporations, and if so, why. "Understanding Financial Statements" should be used as a classroom aid.
3. Invite a local stock broker to speak to the class. Make sure this broker is well informed as to what areas you may want him to cover: pitfalls, rewards, etc. Be certain he understands the background of the students and their level of ability. Prepare for his visit by showing a film strip or movie on the appropriate topic.
4. Allot to each student $10,000. at the beginning of the unit. Each student would then purchase a selection of stocks (bonds can be included) and keep a daily progress chart. He may buy and sell as he sees fit. At the end of the term, he may evaluate his judgement of stock market procedures in the light of goals and accomplishments. Students should keep a diary of reasons for the various transactions that took place.
5. Problem solving for the class:
   a. "I've tried three stockbrokers so far and they could have been triplets. Call up and the line is busy. Mention a stock and they haven't studied it. They push the dogs they're carrying in inventory, and not once in five years has a broker recommended that I sell a stock. I'm not making beans on my portfolio. How can I get lucky and find the right broker to handle my stocks?"
      Your reply will begin as follows: "Before you pick the man, pick the firm." Continue your reply by suggesting to him how he should go about getting his account in good hands. (If a local stockbroker is scheduled to visit the class, this report can be given special emphasis by him."
   b. Janet and Al have been married two years, and they are ready to purchase a house since Al has a steady, well-paying job. Al's parents insist he put a large down-payment on the house, but Al says he wants to make a small down-payment and invest the rest of the money. With whom do you agree? Why? If you suggest Investment, what sources should he consider for "investing" his money?

E. Use of Resource Persons

1. The teacher can call upon personnel from various banking institutions, brokers, research people, financial writers, and those involved in mutual funds. Representatives from government can be included when savings bonds are concerned. Here is an excellent opportunity for parents to be in the role of a "teacher" or guidance person.
2. The teacher should have specific objectives for each person. If possible, the teacher should arrange to speak to a resource person to determine if he can hold the interest of students. There is nothing worse than a boring speaker, and many people competent in their particular fields and tasks might not be the best speakers.
3. Topics must be clearly defined. Student involvement should be encouraged. Planning as to time and questions is important. The students should know the resource person's background, and the speaker should know his audience and what they want.

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Wilson, W. Harmon and Elvin S. Eyster. Consumer Economic Problems. 7th ed. Cincinnati: South-Western Publishing Company, 1966.

B. Periodicals

1. Publications of general circulation
   (a) Newspapers:
   Some 600 print at least daily stock tables and business and financial information.
   (b) Magazines:
   Newsweek
   Time
   U.S. News and World Reports
2. Financial Publications
   (a) Newspapers:
   Commercial and Financial Chronicle
   Journal of Commerce
   Wall Street Journal

(b) Magazines:
Analysts' Journal
Barron's Financial Review
Business Week
Dun's Review
The Exchange
Financial World
Forbes
Fortune

(c) Newsletters:
Federal Reserve Bank Monthly Review
First National City Bank Monthly Letter
Guaranty Survey (Morgan Guaranty Trust Company)
Hanover Letter (Manufacturers Hanover Trust Company)
Kiplinger Washington Letter
The Business Outlook
Whaley-Eaton American Letter

(d) Government Publications:
U.S. Department of Commerce Survey of Current Business, Business Indicators, etc.
Various publications of the 12 Federal Reserve Banks

(e) Industry publications

(f) Brokerage Firm's Market Letters

2. Statistical Services
Standard and Poor's
Moody's
Fitch's
Consult the business section of the Sunday New York Times for advertisements of various statistical services. Example: Value Line.

C. Pamphlets

Buying and Selling Odd Lots. 1966. DeCoppett and Doremus, New York.

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Understanding Financial Statements. 1962. New York Stock Exchange, N.Y.
Understanding the New York Stock Exchange. 1966. New York Stock Exchange, N.Y.
What Every Family Should Know About Handling Money. 1963. Better Homes and Gardens, Meridith Publishing Company, Des Moines, Iowa 50303.
What Everybody Ought to Know About the Stock and Bond Business. 1965. Channing L. Bete Company, Greenfield, Mass.
You and the Investment World. 1966. New York Stock Exchange, New York.
Your Savings and Investment Dollars. Money Management for Young Moderns, Money Management Institute Series, Household Finance Corp., Prudential Plaza, Chicago, Illinois 60601.

D. Sources of Free Materials

Many nonprofit, professional, educational, and governmental organizations, as well as trade associations, business firms, investment houses, and stock exchanges are extremely anxious to send teachers pamphlets, reports, and periodicals. In fact, there are "tons" of free literature and information available. The important task facing the teacher is to carefully screen the available information and then carefully select the source from which the material is derived. A teacher should only send for those publications which appear suitable for the particular purpose at hand. Never abuse the generosity and helping hand offered by these sources.

It is impossible to list all the titles and sources of free material that are available to the teacher. Most of the listings in Part C above are free. Many financial houses advertise some of their available publications in specialized magazines and in the financial and business section of the New York Times. The teacher should write to the following organizations to request their listing of free literature.

American Stock Exchange, 86 Trinity Place, New York 10006.
American Association of Better Business Bureaus, 405 Lexington Avenue, N.Y. 10017.
Bache and Company, Inc., 60 Broad Street, New York 10004.
Better Business Bureau of Boston, Inc., 50 Chauncey Street, Boston, Mass. 02111.
Board of Governors of the Federal Reserve System, 20th St. and Constitution Ave., Washington, D.C.
Channing L. Bete Company, Inc., Box 112, Greenfield, Mass. 01301.
DeCoppett and Doremus, 72 Wall Street, New York 10005
Dow Jones & Co., Inc., Education Service Bureau, P.O. Box 300, Princeton, New Jersey, 08450.
E. I. DuPont de Nemours & Co., Wilmington, Delaware.
Household Finance Corporation, Money Management Institute, Prudential Plaza, Chicago, Illinois 60601.

Institute of Life Insurance, Educational Division, 277 Park Avenue, New York 10017.
Merrill Lynch, Pierce, Fenner, and Smith, Inc., 70 Pine Street, New York 10022.
National Association of Investment Clubs, 1300 Washington Blvd. Bldg. Detroit 26, Michigan.
National Association of Securities Dealers, Inc., 25 Broad Street, New York 10004.
New York Stock Exchange, Manager, School and College Relations, 11 Wall St., New York 10005.
Standard Oil Company (N.J.), 500 North Broad Street, Elizabeth, New Jersey.
U.S. Department of Commerce, Washington, D.C. 20230.
U.S. Securities and Exchange Commission, Washington, D. C. 20549.
U.S. Steel Corporation, 71 Broadway, New York 10006.
U.S. Treasury Department, U.S. Savings Bonds Division, Washington, D.C.

E. Films

A Voice in Business — 16 min.
Modern Talking Picture Service. The scene is a corporation meeting involving stockholders voting.

Behind the Ticker Tape — 21 min. — color
American Stock Exchange. After dramatizing the early days of the outdoor curb exchange, current trading functions of the ASE are explained.

How Stocks Are Bought and Sold — 20 min.
Sterling. Shows how buyers and sellers in different parts of the country are brought together through the mechanism of the Stock Exchange.

How to Invest and Why — 18 min.
Sterling. Discussion of inflation and its effect upon purchasing power. Also suggests how carefully planned investments can avert the devaluation of personal savings.

Mr. Webster Takes Stock — 27 min.
Sterling. A teen-ager studies our economic system in school, visits the NYSE and finds out how people put money to work by investing in sound common stocks.

Odd Lots and Service — 18 min.
Modern Talking Pictures. Shows how the odd-lot dealer operates on the NYSE.

Stock Exchange and Investing — 25 min. — color
Modern Talking Pictures. This film is a combination of two cartoon films, "What Makes Us Tick" and "Working Dollars". Role of the stock exchange and investing through the Monthly Investment Plan are discussed.

The Lady and the Stock Exchange — 27 min. — color
Modern Talking Picture Service. Dramatizes the right vs. the wrong way to invest through the experiences of a family's first investment in stock.

Trouble in Paradise — 12 min.
Animated cartoon film on inflation... its causes, consequences, and cures. Film relates the tale of Paradise, a mythical country, which runs into familiar financial difficulties and sets out to solve them.

What Makes Us Tick — 19 min. — color

Modern Talking Pictures. Explains how savings are invested through stocks and discusses the operation of the NYSE.

Work of the Stock Exchange — 16 min.

Coronet. Film depicts the organizing of a corporation and the listing of its stock on a stock exchange. Shows details of buying and selling operations on the exchange floor and in the broker's office.

Working Dollars — 13 min. — color

Modern Talking Pictures. Cartoon story discussion of how the stock market and Monthly Investment Plan operates.

Your Share in Tomorrow — 27 min. — color

Modern Talking Pictures. America's gorwth, the role of investors and the stock market and brokers, and the MIP are discussed.

Your Thrift Habits — 11 min.

Coronet. Shows how to plan for savings and how to spend wisely to make savings possible.

Yours to Keep — 27 min.

U.S. Savings and Loan League. Shows how regular thrift can help individual and families with their financial problems.

F. Filmstrips

Basic Economic Concepts	b&w	40 frms.	Mc-Graw Hill
Money Goes to Work	color	60 frms.	Encyclopedia Britannica Films
New Ways to Use Money	color	60 frms.	Encyclopedia Britannica Films
Saving and Investment	b&w	40 frms.	McGraw-Hill

G. Tapes

The following tapes can be obtained from the National Tape Repository, University of Colorado, Boulder, Colorado:

How to Read the Financial Page (59 min.)
How to Reinterpret Financial Reports (57 min.)
Information an Investor Should Have (60 min.)
Mutual Funds (59 min.)
NYSE and the Broker (60 min.)
Why Stocks and Bonds (57 min.)

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Life Insurance
2. Life Insurance Policy (contract)

B. Understandings

1. Life Insurance
   a. Life insurance is a contract between an insurance company and a person, based on the life of an individual.
   b. Life insurance reduces the individual risk of loss by sharing the risk with many. This is the basic principle upon which the earliest forms of insurance were built. All modern insurance lines share this common basic principle in serving society as the best risk-reducing device ever conceived by man. The principle of insurance is based on limited deaths at the same time.
   c. Life insurance solves financial problems by replacing loss values with money. How can a man offset the economic losses incurred by dying too soon or living too long?
   d. Life insurance deals with the money needs arising from losses caused by the very acts of living and dying--losses which cannot be avoided and are common to all.
   e. The two major perils of life are death and old age.
      (1) Death will destroy a man's earning power immediately--often before the needs of those dependent on him have been satisfied.
      (2) Old age will exhaust his earning power-- usually before his own needs have been satisfied.
   f. The two major perils that will destroy a man's earning power are death too soon and life too long. If he avoids death before the end of his normal working life, then certainly he must grow old--and the only way that he can avoid growing old is to die too soon.
   g. By spreading his risk of death too soon or life too long among many, life insurance reduces his risk of loss--not by preventing his death or old age--but by replacing all or part of his lost earning power with a large sum of money--enough money to provide the future money needs dependent upon his continuing income.
   h. Usually a man's earning power is his most valuable asset. The value of a man's earning power (as an asset) is equal to the present money value of all the future money needs his future income is expected to satisfy.
   i. Life insurance should be bought at the age that it fulfills its greatest need. Students should realize that the younger one is the lower the premium rate, provided that no health problems exist.
   j. The amount of insurance one should carry depends on the following:
      (1) The size of one's present and possible future income.
      (2) The amount one needs for necessities and everyday living, "extras", income, taxes, and death or estate taxes.
      (3) The number, ages, and earning capacities of one's dependents.

(4) Obligations, such as the mortgage on your home, unpaid bills on automobiles and furniture.
(5) Possible need for income in old age.
(6) The amount and type of insurance and other investments already carried.

k. A periodic review of one's insurance portfolio is vital to good protection and the maintenance of financial security. As the needs of the individual and/or family change, the types of insurance required also change.

2. Life insurance policy (contract)

a. Of the types of life insurance that are available there are four general categories: term, life, endowment, and annuities.

(1) Term plans provide protection only, and for specified periods of time. If the insured dies within this covered period, his term plan will pay the full face amount. When the term period expires, so does the plan. Frequently, a term plan may be attached as a rider to one of the combined protection--savings plans, to provide a large amount of additional needed protection at a low additional cost for a specified period of time. There is no savings and no return on an expired term policy.

(2) Life--in addition to protection, many life plans also include investment plans. The value of these investments increase each year as long as the insured continues the plan. There are several variations of the life plan such as single premium life, ordinary life or whole life, paid-up life and limited payment life. (See the Glossary for an explanation of these plans.) Ordinary life is the most common of these plans.

(3) Endowment--when one wants his savings to equal a certain sum of money at a certain time in the future if he is living, or wants that sum of money paid to his family if he dies before that time, he needs an endowment plan. This plan calls for more emphasis on savings, but also includes protection during the savings period. The plan will pay the amount he wants to save, whether he lives to save it or not. This plan is guaranteed savings at a specified time. This plan is used to guarantee a certain amount of money at a certain time and to also provide some protection while the savings increase.

(4) Annuities are primarily for retirement purposes, and get their name from the usual method of repaying the annuitant on a life income basis. These plans do not include any protection in the event of death prior to the start of the retirement income, but they do generally return the total premiums paid or the cash value, whichever is greater at time of death. After the retirement income has started, depending on the choice made by the annuitant, an annuity may or may not return the unused portion of his savings at his death. The less the annuity guarantees to return at his death, the larger the monthly income payments it will guarantee to pay the annuitant during the remainder of his lifetime.

b. There are several different types of life insurance contracts available to the consumer.

(1) The contracts differ with the plans selected. There are many different contracts, based on the four basic plans.

These are called "hybrid plans". (see item 2.a. for an explanation of the four basic plans.)

(2) Each plan may differ with the various "options" selected, just as each car may differ with the different optional equipment purchased.

(a) Waiver of Premium (WP)--waives the premium payments falling due on a plan when the insured is totally disabled as defined in his policy--yet the plan continues in full force, just as though he were actually paying the premiums. If he regains his health, he picks up his premium payments from that point. He does not make up any premiums that were waived during his disability. This option expires at age 60.

(b) WP and Disability Income is almost identical to Waiver of Premium, except that in addition to waiving the premiums, it also pays a monthly income during the period of disability--usually $10 per month for each $1,000 face amount of the basic plan.

(c) Accidental Death Benefit (ADB), sometimes called Double Indemnity, pays a multiple of the face amount of the basic plan as an additional death benefit if the insured's death results from an accident. This option expires at age 70 for most policies, but at age 65 in others.

(3) The policyholder's privileges

The savings accumulation in a life insurance plan belongs to the owner of the policy. He may take it in cash at any time and use it any way he wishes, just as from any other savings or investment plan. Life insurance offers several valuable alternatives if he doesn't need or want the lump sum of his accumulations in cash at the time he discontinues his savings.

(a) He may take his savings in cash.

(b) He may borrow up to the amount of his savings (or cash value). He may repay the loan when and if he wishes, or he need never repay it. If he should die while there is still a loan on his plan, the company would merely deduct the amount of the loan from the death benefit and pay the balance to his beneficiary.
It is important to note that your life insurance is an excellent place to borrow money at lowest interest rates. The rate of interest charged is a true rate because you pay interest only on the unpaid balance. The amount of credit you have is determined by a chart in the contract and is computed according to the amount of face value of the policy. It is wise to consult with your agent before borrowing money on your policy or from any commercial source.

(c) He may take his savings in the form of monthly income.

(d) He may have his cash value applied to:

1) Reduced Paid-Up Insurance gives him a paid-up plan exactly like his original plan, except in a smaller amount and on which he will pay no more premiums.

2) Extended Term Insurance continues the full amount of protection provided by his original plan, but on a term basis.

(4) The beneficiary's privileges

(a) In order to eliminate the use of life insurance as a gambling device or as a possible motive for doing away with the insured, both the law and the companies require that the owner and the beneficiary of a life policy have an insurable interest in the insured at the time the life policy goes into effect. This means that, at time of application the prospective owner and beneficiary must stand to lose tangible or intangible values at least equal to the value of the insurance if the insured dies.

(b) Distribution Options

1) Lump Sum payment--the total value of the claim is paid to the beneficiary in one payment of cash.
2) Interest Income--Cash proceeds may be left with the company and regular stated payments are made from the interest earned. The principal is not reduced because the payments are interest income only.
3) Fixed Amount--The cash proceeds may be left with the company which guarantees to pay equal income installments of a specified amount each month. until the proceeds with interest are exhausted.
4) Fixed Period--The cash proceeds may be left with the company which guarantees to pay equal income installments each month for a specified number of years. The installment will be just enough to exhaust the proceeds with interest by the end of the period.
5) Life Income--The cash proceeds may be left with the company which guarantees to pay equal income installments each month for as long as the payee lives. This annuity option pays as long as the policyholder lives, but pays nothing at his or her death.

II. SUGGESTED VOCABULARY AND GLOSSARY

Actuary
An expert in the theory and practice of life or other kinds of insurance. One who calculates risk.

Administrator
The person appointed by a court to manage and settle the estate of a deceased person usually because the deceased person left no will.

Amortization
The act or process of extinguishing a debt, usually by equal payments at regular intervals over a specific period of time.

Annuitant
One to whom an annuity is payable, or a person upon the continuance of whose life further payment depends.

Annuity
A stipulated sum payable at equal intervals during the lifetime of one or more persons, or payable for a specified period.

Application
A form supplied by the company, usually filled in by the agent and medical examiner on the basis of information received from the applicant. The form is signed by the applicant and is part of the insurance contract if a policy is issued.

Assurance--Insurance

These terms are synonymous. The term assurance is used more commonly in England than in the United States.

Beneficiary

The person to whom the proceeds of a life insurance contract are payable at the death of the insured.

Binding Receipt

The receipt for the first payment of the first premium which assures the applicant that, if he dies before receiving his policy, the company will pay the full claim if the policy is issued or would be issued as applied for upon receipt of the application.

Broker

A term generally used to describe one who places business with more than one company, and who has no exclusive contract requiring that all his business first be offered to a single company. Unlike the agent, who is considered to represent his company, the broker usually is considered as representing the buyer.

Cash Value

The amount available to the owner when a policy is surrendered to the company.

Contract

The chief requirements for the formation of a valid contract are: (1) mutual assent of the parties to a promise, consisting of an offer and an acceptance; (2) a valuable consideration, payment; (3) parties having legal capacity to contract; (4) the abasence of fraud or misrepresentation by either party. (see unit of syllabus on Contracts.)

Defamation

A form of misrepresentation. See Misrepresentation. Also see Twisting.

Disability Clause

See Waiver of Premium.

Disability Income

A benefit provided by a special health insurance contract which indemnifies for loss of time in event of sickness or accident. May be a life insurance rider. (See rider)

Dividends

The profits that are returned to the holder of a participating policy.

Double Indemnity

A provision in a life insurance policy, subject to specified conditions and exclusions, under the terms of which double the face amount of the policy is payable if the death of the insured is the result of an accident.

Endowment

A life insurance contract which provides for the payment of the face amount at the end of a fixed period, or at a specified age of the insured, or at the death of the insured before the end of the stated period.

Executor

The person or corporation appointed by the court to carry into effect, or execute the provisions of a will. (see Administrator.)

Expected Mortality

The number of deaths which theoretically should occur among a group of insured persons during a given period according to the mortality table in use.

Extra Premium

The amount charged in addition to the regular rate to cover an extra hazard or special risk.

Face Amount
Since the amount of insurance protection provided under a given policy is usually stated on the face or first page of the contract, the term "face amount" is commonly used when referring to the principal sum involved in the contract.

Family Plan Policy
An all-family plan of protection, usually with permanent insurance on the father's life, and with mother and children automatically covered for lesser amounts of protection--usually term--all included under one premium.

Grace Period
Most life insurance contracts provide that premiums may be paid at any time within a period varying from 28 to 31 days following the premium due date, the policy remaining in full force in the meantime. If death occurs during the grace period, the premium is deducted from the proceeds payable.

Group Life Insurance
A form of life insurance covering a group of persons generally having some common interest, as employees of the same company, or members of the same union or association.

Health Insurance
This term refers to the branch of insurance which includes all types of loss of time and medical expense insurance. It is also known as accident and health insurance, sickness and accident insurance.

Income Policy
A life or endowment policy which provides definitely for specified monthly amounts in the payment of proceeds in place of the lump sum.

Insured, the
The one on whose life a policy is issued.

Insurer, the
The organization that contracts to compensate for the loss.

Intestate
One who dies leaving no will.

Irrevocable Trust
A trust that cannot be altered by the person who created the trust.

Lapse
This term applies to the situation which exists when a premium due is not paid.

Liabilities
An insurance company's liabilities consist of its immediate or contingent policy obligations, unapid claims, funds left under settlement options, assigned surplus, and miscellaneous debts.

Life expectancy
The average duration of the life remaining to a number of persons of a given age, according to a given mortality table. Do not confuse with probable lifetime.

Limited Payment Policy
A policy which provides for payment of the premium for a period of years less than the period of protection provided under the contract.

Loan Value
A determinable amount which can be borrowed from the issuing company by the policyowner using the value of the policy as collateral.

Lump Sum
Payment of the entire proceeds of a life insurance policy in one sum.

Master Policy
Sometimes called "Master Contract". Issued to the employer under a group insurance plan, and containing all the insuring clauses which define employee benefits.

Maturity Value
The proceeds payable on an endowment contract at the end of the specified endowment period, or payable on an ordinary life contract at the last age of the mortality table if the insured is still living at that age.

Medical Examination
Usually conducted by a licensed physician, the medical examination is part of the application.

Misrepresentation
A false statement as to a past or present material fact, made in an application for insurance, and that induces the insurer to issue a policy it would not otherwise have issued. Also, an agent who misrepresents a policy's terms is subject to penalty as prescribed by state laws.

Mortality Table
"The instrument by means of which are measured the probabilities of life and death." A table which gives the normal life expectancy of the individual.

Mutual Company
One which has no capital stock, is owned by the policyowners, is managed by a board of directors chosen by the policyowners, and usually issues participating insurance only. (See Participating Policies.)

Old Age and Survivors Insurance
Also known as Social Security.

Ordinary Insurance
Life insurance of the commercial companies not issued on the weekly premium basis. Under ordinary insurance, the premiums are not collected weekly and the amount of protection is usually $1,000 or more.

Ordinary Life--Whole Life--Straight Life
These three terms are synonymous and are applied to the type of policy which continues during the insured's life and provides for the payment of amount insured at this death, or at age 96 if he still is living at that age.

Paid-up
A policy on which no future payments are to be made, and under which the company is held liable for the benefits provided under the terms of the contract.

Paid-up Additions
Additional insurance purchased by policy dividends on a net single premium basis at the insured's attained insurance age at time additions are purchased.

Participating Policies
Policies which share in the distribution of "dividends" out of the surplus earnings of the company.

Policy
The name given by the commercial companies to the written contract of insurance corresponding to the fraternal benefit certificate of a fraternal society.

Preferred Risk
A risk whose physical condition, occupation, mode of living, and other characteristics indicate a prospect for longevity of unimpaired lives of the same age. (See Standard Risk.)

Premium
The term used for the rate charged for a given form of insurance policy or annuity contract at a given age, or the amount payable to the company for the benefits provided under a certain contract.

Premium Notice
Notice of premium due, sent out by the company or one of its agencies, to an insured.

Rebating
The granting of any form of inducement, favor or advantage to the purchaser of a policy not available to all under the standard policy terms. Rebating is punishable by law.

Reduced Paid-up Insurance
One of the options contained in most policies provides that the insured may elect to have the cash surrender value of his policy used to purchase a paid-up policy for a proportionate amount of insurance.

Reinstatement
By the terms of most life insurance policies the policyowner has the right to reinstate a lapsed policy within a reasonable time after lapse, provided he presents satisfactory evidence of insurability.

Reinsurance
Companies place a limit on the amount of insurance they will risk on a single life, and, therefore, when issuing policies for larger amounts than their own limits, they reinsure the excess over that limit with some other company.

Renewable Term
Some term contracts provide that they may be renewed on the same plan for one or more years without medical examination but with rates based on the advanced age of the insured.

Retirement Income
Life income, beginning at a selected retirement age, derived by applying contractual settlement options to policy or annuity cash values.

Rider
A special policy provision, added to the standard contract which expands or limits the standard benefits thereof.

Risk
The chance taken by an insurance company. The danger of living too long or dying too soon.

Salary Savings Insurance
Regular forms of life insurance sold to groups of employees with premiums collected on a monthly basis from the employer who deducts the premiums from the wages of the insured employees.

Savings Bank Life Insurance
Special type of life insurance issued by savings bank. There are various kinds of contracts available as from commerical companies.

Single Premium
The lump sum required to cover the entire cost of a life insurance or annuity contract.

Standard Risk
A person who according to a company's underwriting standards is entitled to insurance protection without extra rating or special restrictions.

Stock Company
One that is owned and controlled by a group of stockholders whose investment provides the financing for the issuance of insurance.

Straight Life
See Ordinary Life.

Suicide Provision
Most policies provide that if the insured commits suicide within a specified period, usually two years, after date of issue, the company's liability will be limited to a return of premiums paid.

Term Insurance
Insurance protection during a limited number of years but expiring without value if the insured survives the stated period. This provides only for temporary protection.

Testate
Having left a will.

Testator
The person making a will.

Trust
An arrangement in which property is held by a person or corporation (trustee) for the benefit of others (beneficiaries). The grantor (person who transfers the property to the trustee) gives legal title to the trustee, subject to the terms set forth in a trust agreement. Beneficiaries have equitable title to the trust property.

Trustee
One who holds the legal title to the property for the benefit of another. This may be either an individual or a company such as a bank and trust company.

Twisting
The practice of inducing a policyowner in one company to lapse, forfeit, or surrender his insurance for the purpose of taking out a policy in another company.

Vesting
The right of an employee under a retirement plan to retain part or all of the annuities purchased by the employer's contributions on his behalf, or, in some plans, to receive a cash payment of equivalent value, on termination of his employment after certain qualifying conditions have been met.

Waiver of Premium Disability Benefit
A clause which provides that, in event the insured is totally and permanently disabled, his insurance policy will be continued in full force even though the necessity of paying further premiums is waived by the company during the disability period. Additional premium is usually charged for this clause.

War Clause
A clause in an insurance contract relieving the insurer of liability, or reducing its liability, for specified loss caused by war.

Weekly Premium Insurance
Also called Industrial Insurance. Life insurance issued on individual lives, usually without medical examination, at ages from birth to seventy years, in amounts less than $1,000 with premiums payable weekly to an agent who calls at the home to collect.

Will
A will is a written instrument, executed in the form required by law, by which a person makes a disposition of his property, to take effect upon his death.

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Life insurance should be structured to the family budget. Do not become "Insurance Poor".
2. Insurance should be tailored for the family needs.
3. Life insurance can be both protection and/or investment.
4. Life insurance is used to protect against loss of human life value and/or services.

5. Life insurance is based on a law of averages and rates are set by this average. (Mortality Tables)

B. Abilities to be developed:

1. Know what protection your policy affords.
2. Have your agent explain major sections of the contract to you.
3. Know the various types of life insurance and the various hybrids which may be developed.
4. Develop the type of insurance program which meets your needs.
5. Be familiar with the factors upon which life insurance premiums are based.
6. Be able to determine when changing needs require insurance program review.

IV. ACTIVITIES

A. Class or Large Group Activities

Assembly programs for an entire school would probably be of little value. However, large group instruction on life insurance, given by a life insurance expert, with classroom discussion to follow, might prove of value.

B. Individual Projects and/or Small Group Activities

1. A student might obtain sample applications and contracts from local life insurance companies or agencies and under the guidance of a teacher or possibly an agent fill out these items to better grasp the idea of what information insurance companies want and the requirements which must be met.
2. Students might be interested in investigating the historical development of life insurance and discovering the various interesting aspects of the early industry.
3. A student might investigate the possible future found in obtaining a job in the life insurance industry and report to the class. This would involve both the study on life insurance and also the development of career opportunities.

C. Small Group Projects and/or Large Group Projects

1. Depending on how extensively one wishes to develop this project would determine what size group to use. Have the students develop a drama telling the story of the decision a person (probably a father) must make before he invests in life insurance. Have them develop a family budget so as to include the purchase of life insurance, have them work a Program of Protection and have them decide what kind or kinds of life insurance must be bought to meet the needs of the insured. Have them decide how and from where they can buy the best insurance for the lowest premium. Possibly this drama could be developed so as to be presented to a Large Group Instruction Unit. Try to have the students utilize as much of the real life problems as possible in developing this drama.

D. Resource people

1. Local Life Insurance agent.

2. The head of educational development from a life insurance company.
3. A life insurance underwriter and a life insurance policy developer from an insurance company who will tell about new types of policies that are being developed and what goes into such development.

V. BIBLIOGRAPHY

A. Books

Life and Health Insurance Books. Institute of Life Insurance, 277 Park Ave., New York, New York. This pamphlet contains an excellent bibliography on the various aspects of the subject.

B. Periodicals

Life and Health Insurance Books. Institute of Life Insurance, 277 Park Ave., New York, New York. On page 46 of this pamphlet there is a list of periodicals on the industry.

Changing Times. The Kiplinger Magazine, Editors Park, Maryland 20782. This monthly magazine often carries excellent articles and advice on the buying of life insurance.

There are several other magazines and newspapers which at present are carrying articles on the life insurance industry. One must remain on the alert for such articles and make note of them when discovered.

C. Pamphlets

A Date with Your Future. Institute of Life Insurance.

Decade of Decision. Institute of Life Insurance.

Essentials of Life Underwriting. The National Underwriter Company, 420 East Fourth Street, Cincinnati, Ohio. Set of 10 - $6.50.

Handbook of Life Insurance. Institute of Life Insurance.

Insuring Your Life and Property. Educational Opportunities Division, Follett Publishing Company, Chicago, Illinois.

Know Your Rights - When You Buy on Time or Finance Insurance Premiums. State of New York Banking Department, 100 Church Street, New York, New York 10007.

Life and Health Insurance Books. Institute of Life Insurance, 277 Park Ave., New York, New York. This pamphlet carries the titles of several pamphlets related to the subject, listed under different groupings. The user will just have to look these over to decide what he wants and does not want.

Life Insurance Fact Book. Institute of Life Insurance. Printed each year.

Pitfalls to Watch for in Mail Order Insurance Policies. 1968. Federal Trade Commission, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

Policies for Protection. Educational Division, Institute of Life Insurance, 277 Park Avenue, New York, New York.

Understanding Life Insurance for the Family. December 1964. Division of Home Economics, Federal Extension Service, U.S. Department of Agriculture, Superintendent of Documents, Government Printing Office, Washington, D.C., 20402.

Your Life Insurance and How It Works. Institute of Life Insurance.

D. Sources of Free Materials

Institute of Life Insurance, 277 Park Avenue, New York, N.Y.

Most of the Life Insurance Companies will send you information if you will write and ask for materials dealing with a given topic or problem.

E. Materials to be Purchased

1968 Catalog, The Research and Review Services of America, Inc., 1720 East 38th Street, Indianapolis, Indiana. Through this service there are two series that are of particular value.

a. The Life Line for Property-Casualty Men $3.80

b. Introduce Yourself to Life Insurance $9.50

1968 Sales Catalog, Life and Health Edition, the National Underwriter Company, 420 East Fourth Street, Cincinnati, Ohio.

F. Audio-Visual Materials

Films

Measure of a Man 27 1/2 min.
Free rental from Institute of Life Insurance (see above).

Filmstrips

Dollars For Security 35 mm color
1969. Free loan basis except for postage. Education Division, Institute of Life Insurance

How Life Insurance Operates 35 mm
Institute of Life Insurance.

How Life Insurance Policies Work 35 mm
Institute of Life Insurance.

SOCIAL SECURITY, MEDICARE, AND MEDICAID

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Economic Security

B. Understandings

1. Economic Security
   a. The Social Security Program
      (1) General Understandings
         (a) Government security programs provide the kinds of economic aid and protection that large numbers of older people, widows, disabled workers, and orphaned children, for example, could not afford or even get through programs that were clearly inadequate, before the first Social Security Act was passed.
         (b) Government insurance programs provide minimal coverage and protection, but these are basic. In fact, they are the only kind of such coverage and protection that is available to the millions of Americans who have limited or low incomes. Individuals who have the money will of course want to supplement the limited benefits from government insurance programs with their own private programs--through insurance, savings and investments, for example.
      (2) OASDI - Old Age, Survivors and Disability Insurance
         (a) OASDI is a federal program of compulsory insurance which provides an old age pension and insurance for survivors.
         (b) Employers and employees contribute equal amounts in Social Security Taxes.
         (c) The "pay-as-you-go" method of collecting taxes is employed in the Social Security Program.
      (3) Unemployment Insurance
         (a) Unemployment insurance is administered by the state governments as provided for in the Social Security Act.
         (b) Unemployment insurance is financed entirely by the employer.
         (c) If an employee quits his job without "good cause", he is not entitled to unemployment insurance.
         (d) A worker who is ill is not entitled to unemployment insurance but he may qualify to receive disability benefits (DBL).
         (e) An employee who is fired for misconduct is not entitled to unemployment insurance.
         (f) The New York State Division of Employment administers unemployment insurance and also provides a job placement service.
      (4) "Public Assistance" provides federal and state aid to people in need who are not covered by other Social Security programs.
      (5) "Medicare" is a federal health insurance program which covers

most persons who have reached the age of 65.

(a) In addition to the basic hospital insurance provided by Social Security contributions, persons over 65 may secure medical insurance for a premium of $4 per month effective January 1, 1969. This helps to pay doctors' bills and certain other medical expenses.

(b) The number of older people in our society has been increasing.

(c) There are more susceptible to illness and frequently have inadequate income to meet their medical expenses.

b. New York State Programs

(1) Workman's Compensation provides aid to employees who are hurt "on the job".

(a) All employers are required by law to carry Workman's Compensation.

(b) Workman's Compensation is administered by the New York State Division of Employment.

(2) Disability Benefits Liability (DBL)

(a) DBL is state disability insurance.

(b) N.Y.S. Disability Benefits are usually paid by the employee (1/2 of 1% of his salary, but no more than 30¢ weekly) and by the employer who either pays the balance or pays the total amount.

(3) Medicaid is a federal-state-local program that provides funds for needed medical care for families who cannot pay for it.

(a) Medicare applies to persons over 65 years of age or older whereas Medicaid applies to any persons or families unable to pay medical expenses.

(b) Medicaid requires a "means test".

(c) Medicaid was designed primarily to defray the costs of "catastrophic illness."

(d) Medicaid applies to all persons who cannot pay for needed medical services.

(e) To be eligible for Medicaid, a person must apply to his local public welfare department.

(4) Job Corps - Federal funds - state administrator

II. SUGGESTED VOCABULARY

A. Economic Security

1. Federal Social Security Programs
   - Old Age Survivors
   - Medicare
   - Payroll deductions
   - Welfare
   - Public Assistance
   - Unemployment insurance
   - Job Corps
   - Disability Insurance
   - Technological unemployment
   - Seasonal unemployment
   - "Equal work, equal pay" laws
   - Tax rate for Social Security
   - Tax base for Social Security
2. New York State Programs
   - Workman's Compensation
   - Disability benefits
   - Medicaid
   - "means test"
   - "catastrophic illness"

III. ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. Social Security is an important and necessary kind of good, not a comparatively minor source of income for the many persons who need it.
2. Emergencies (illness, loss of job, aged dependents, etc.) require additional protection.
3. A savings account may help a family to afford a trip or to take advantage of opportunities requiring immediate cash.
4. All persons need some kind of life insurance and very probably, other kinds of private insurance.
5. Abuse of the unemployment or social security program hurts all of us. If fraudulent claims are made, we all have to share the bill.
6. Government security programs are expensive and are increasing because more people are living in an urban, industrial environment where they are frequently victims of unemployment, accident, illness, or death.
7. "Rugged individualism" is no longer possible in our highly complex, industrialized society.

B. Abilities to be developed:

1. Everyone should know how to apply for his social security number at his local Health, Education, and Welfare Office, by the time he is a senior in high school.
2. Understand the system of the "pay-as-you-go" method of collecting taxes.
3. Understand how certain payroll deductions are made.
4. Determine the location of your unemployment office.
5. Determine the location of your county welfare department.
6. Know of the benefits available if a parent dies or becomes disabled.
7. Know of the medical benefits available to older people under Social Security (Medicare).
8. Know the tax rate and tax base for Social Security payroll deductions.
9. Become familiar with the provisions of the Unemployment Law including eligibility requirements and benefits.
10. Understand the kinds of coverage provided by the Medicaid program.
11. Be aware of the private life, health, and general insurance programs available.

IV. ACTIVITIES

A. Assembly Programs

Some speakers from government agencies, such as the local Social Security office, have well prepared presentations complete with movies, filmstrips, or overhead transparencies which describe the services they offer. Although some of these resource people may be most effectively used in the classroom, a few outstanding individuals whose agencies provide vital services to young adults may be drawn on to present their program at an assembly of the entire student body.

The teacher planning an assembly of this type should carefully explore the possible resource people listed in topic E of this section. By personal observation, or by careful evaluation of the reports of

others, the teacher may discover the proper person who is worthy of presenting his material to a student assembly.

B. Individual Projects

1. Interviews of key community persons and consumers in general.
   Help individual students prepare themselves for their interviews. by acquiring at least a limited knowledge of the work of the individual to be interviewed. The student should then compile his list of questions to be used in the interview and submit it to the teacher for review. A quick analysis of the student's interview questions will inform the teacher as to whether the student is properly prepared for his task.
   Following are some suggested interview targets:
   a. The County Welfare Commissioner.
   b. A doctor who treats Medicaid patients.
   c. A doctor who treats Medicare patients.
   d. A public health officer.
   e. A business executive in charge of employment and personnel.
2. Individual research can be carried on in the community on the following topics. An oral or written report can be required. Information will be gathered from first hand interviews by the student in most cases.
   a. Is the local poverty program successful? Why?
   b. Are the county welfare services adequate for the poor of the county?
   c. Should Workman's Compensation be expanded to increase benefits? Why?
   d. Do we have seasonal unemployment in our community? Can anything be done to reduce it?
   e. Do we have technological unemployment in our community? Can anything be done to reduce it?

C. Small Group Projects

1. Organize committees to do research on the following topics and report to the class. A written report can also be required if desirable.
   a. Does the Social Security Law of 1935 and its subsequent amendrents provide adequate protection in 1970? Why?
   b. Are services provided by the county welfare system adequate today? Why?
   c. Is the cost of the county welfare program excessive when compared to the benefits provided? Why?
   d. Should the services of the county welfare program be extended or contracted? Why?
   e. Should the functions of the county welfare system be taken over by the state or the federal government? Why?
   f. What do doctors in our community think about Medicaid? (Submit questionnaire to teacher before survey.)
   g. What do doctors in our community think about Medicare? (Submit questionnaire to teacher before survey.)
   h. What do people over 65 in our community who use Medicaid think about the Medicaid system? (Submit questionnaire to teacher before survey.)
   i. What do people over 65 in our community think about Medicare? (Submit questionnaire to teacher before survey.)

k. To what extent do Social Security payments under OASDI meet the needs of the old people receiving them? (Submit questionnaire to teacher before survey.)

l. Survey a number of employers concerning what situations might constitute "good cause" for an employee to quit his job. (Submit questionnaire to teacher before survey.)

m. Survey a number of employees concerning what situations might constitute "good cause" for an employee to quit his job. (Submit questionnaire to teacher before survey.)

2. Organize a debate (or panel discussion) on one of the following topics:

a. Resolved: If the cost of living goes up, Social Security pensions should be increased by the same percentage.

b. Resolved: The United States should adopt a system of socialized medicine.

3. Role Playing - mock interview between Health Education and Welfare Administrator and client or Division of Employment representative and applicant.

D. Large Group Projects

1. Field Trips can be arranged for the class to acquaint the students with the security services available in the community. See Consumer Purchasing, Unit I of this series for a detailed guide for preparation, execution, and follow-up of a field trip. The following places should be considered for field trips in connection with Security Programs:

a. Social Security Office.

b. New York State Employment Office.

c. County Home.

d. A mental hospital.

E. Use of Resource Persons

1. Well-chosen resource people can enliven the classroom to a great extent during this unit. Check the Guidelines for choosing and using resource people under Topic E of Consumer Purchasing Unit I of this series. Below are some suggestions of possible speakers.

a. Representative of the local Social Security Office.

b. Representative of the local office of New York State Employment Office.

c. A case worker from the County Welfare Department.

d. Representative of the County Medical Association.

e. Representative of a local labor union.

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The philosophy of the Social Security Program. Compares the situation before the establishment of Social Security with the situation today.

Sam'l and Social Security — 14 min. — color
Animated cartoons present a human interest situation over Social Security.

Medicare — 20 min. — color
An interesting family situation is presented in story form.

Three Score Plus — 10 min. — b&w
Arthur Hess is interviewed about the coming Medicare program.

The Long Haul — 15 min. — color
The dramatic story of a fisherman and his fight to provide for his family after a crippling accident.

Social Security in America — 13 1/2 min. — color
The story of a "Miss America" candidate who owed her college education to Social Security benefits.

Social Security Story — 15 min. — color
A guided tour through social security headquarters shows what happens to a person's social security from establishment to retirement.

Medicare — 10 min. — color
A breif explanation is given of hospital insurance and medical insurance.

You and Medicare — 27 min. — color
This film tells the story of how medicare affects the life on one American family.

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Dollars for Security - (color - 62 frames - 15 min.)
Discusses the effect of financial security on the lives of high school class members. Included are thought provoking questions to stimulate class discussion. Free on loan basis from Association Films, Inc., 600 Madison Ave., New York, New York 10017.

Unemployment in a Free Economy - (b&w - 39 frames)

Discussion Guide is included. Free on loan basis. Current Affair Films, 527 Madison Avenue, Suite 409, New York, New York 10022.

Dollars for Health - (Color - 60 frames - 15 min.)

Use to develop interest in topics relating to health insurance. Filmstrip deals with three high school students whose lives are disrupted by illness or accident in the family. Free on a loan basis from Association Films, Inc., 600 Madison Avenue, New York, New York 10017.

Health Insurance for the Aged - (Color - 40 frames)

A clear concise explanation of basic information pertaining to the provisions of the new Medicare program. A detailed series about what each person must do and what benefits he will receive from the basic hospital insurance and the voluntary medical insurance parts of Medicare. Available free on a loan basis from your nearest office of the Social Security Administration.

I. ECONOMIC CONCEPTS AND UNDERSTANDINGS

A. Concepts

1. Contracts
2. Negotiable Instruments
3. Taxes
4. Wills and Estates
5. Legal Aid

B. Understandings

1. Contracts

Contracts are legally enforceable promises. Without contract law, which originated in ancient times, it would be impossible to carry on the complex economic activities of modern, interdependent societies.

An enforceable promise by which one party agrees to supply goods or services at a given price to be paid by the second party is fundamental to the operation of business enterprises.

Contract law provides the means of enforcing legal agreements through the courts rather than by force exerted by the contracting parties. If either party to the contract fails to carry out his part of the bargain, the courts generally assess actual money damages for losses suffered. But, in some instances the court may not consider money damages appropriate and will require specific performance by the party who defaulted, that is, actual delivery of the goods or performance of the service. This especially is true in transactions dealing with land, articles of sentimental value, antiques and rare art objects, performances by well-known artists, contracts to sell a controlling interest in a close corporation, and to a limited degree, certain sales agreements where delivery of the goods is considered essential. Generally, a court will not require specific performance involving contracts for personal services inasmuch as this would violate the provision of the Thirteenth Amendment of the Federal Constitution prohibiting involuntary servitude. But a court may issue an injunction prohibiting a person who has agreed to perform a service for one party from performing for another party. This may cause the performer to render the service to the first party with whom he contracted.

Many oral contracts are enforceable; others must be in writing. (See Statute of Frauds, below)

Contractual relationships take many forms. These include bills of sale, negotiable instruments, corporate securities, leases, railroad and steamship tickets, parking lot tickets, certificates of incorporation, stock certificates, employment and agency agreements, bills of lading, insurance policies, dry-cleaning receipts, the purchase of goods from a vending machine, riding on a bus or taxi, and many others.

To avoid endless litigation, statutes impose limitations of time for starting legal action. Unless the injured party institutes legal proceedings before this time limit expires, the court will not enforce the contract. The time limit varies for different types of contracts. (See Statute of Limitations, below)

The great majority of contracts are carried out by the contracting parties as a matter of good business practice. If a dispute arises, every attempt is made to settle the matter out of court. Also, if the dispute involves a trivial matter, the offended party generally will forego legal action. Nevertheless, individuals may use the Small Claims Courts or Justice Courts to bring civil action against another individual or corporation for limited amounts of money. In these courts, proceedings are informal; and, the plaintiff may bring action without legal counsel.

Elements of a Contract

The courts entertain legal actions concerning agreements of a serious business nature. Many "social" arrangements are, therefore, excluded from the purview of the courts.

In the course of the centuries, the courts arrived at what they considered to be the essential elements of a contract. Some or all of these essentials may be present in a particular contractual agreement. These essential elements are:

a) Mutual assent (an offer and an acceptance of the offer)
b) Competent parties
c) Consideration
d) Legal subject matter
e) Form

a. Mutual Assent

This is the "heart" of the contract. An agreement results from a "meeting of the minds" of the parties who engage in the bargaining process. Some legal principles applicable to the element of mutual assent are:

(1) An offer must be seriously intended as such; it cannot be made in jest or in a "fit of anger."
(2) An agreement to attend a social affair (dance, movie, etc.) does not create a legally binding obligation.
(3) The offer must be definite and certain.
(4) The offer must be communicated to the person who is to accept.
(5) A general offer (rewards, etc.) is one made to the public and is addressed to the first person who, having knowledge of the offer, does what the offer calls for.
(6) At an auction, the bidder makes the offer. The auctioneer is the offeree. He does not make offers but accepts them. The contract is formed when the hammer falls.
(7) An option is a promise, usually for a consideration, to hold an offer open for a given time. However, in New York, a written option is binding without consideration.
(8) A provision on a credit card which obligates the holder in case of loss or theft is NOT binding unless it is conspicuously printed (8 point type) on the credit card or application.
(9) Generally, if a person signs a contract (or other legal instrument), he is bound by its terms. This provision does not apply if there is fraud, the violation of a confidential relationship (such as between husband and wife) or other wrongful act.
(10) In most cases, the "fine print" becomes part of the contract and is binding. But, this may be modified by statuatory enactments.

(11) In sales contracts, unless the offeror stipulates to the contrary, an offer may be accepted in any manner and by any medium reasonable under the circumstances. The acceptance is effective when it is given over to the transmitting agency or device. (This includes a mail chute in an office building, a mail box, telegraph office clerk, etc.)

(12) An offer must be accepted (a) within the time specified in the offer, or (b) if no time is stated, then within a reasonable time.

(13) If an offer contains express conditions regarding the manner of acceptance, the acceptance must conform to these conditions. Consequently, an oral acceptance to an offer which requires an acceptance in writing is not binding.

(14) Silence does not constitute acceptance of an offer.

(15) An offer may be revoked at any time before acceptance unless there is an option (See no. 7 above) or the offeror agrees in writing to keep the offer open for a definite period of time.

(16) The revocation of an offer must be communicated to the offeree before the offeree makes his acceptance.

(17) To be valid, an acceptance cannot materially alter the offer. The acceptance must be timely, definite, and must be made by the party to whom the offer was made.

(18) Death or insanity of either party before acceptance terminates the offer.

b. Competent Parties

(1) In New York State, persons under twenty-one years of age are considered infants.

(2) Infants eighteen years of age or over who are engaged in a business enterprise are liable for reasonable and provident business contracts.

(3) An adult may not void a contract with an infant, but an infant may void a contract with an adult or other infant.

(4) An infant is liable for necessities actually furnished to him and not otherwise provided, but the price must be reasonable. (Quasi-contract)

(a) What constitutes a necessity is determined by the individual's station in life. Necessities usually include food, shelter, clothing, medical care, and education -- not otherwise furnished (e.g. by a parent or guardian).

(b) Money is not a necessity unless needed to buy necessities.

(5) An infant may void contracts for luxuries (considering his station in life) either before age 21 or within a reasonable time thereafter.

(6) An infant may not disaffirm a contract for real estate until he reaches the age of 21.

(7) If an infant sells real estate and he spends the money, he still can void the contract and get back his property provided he disaffirms within the statutory period of limitations which starts at age 21.

(8) A married couple, regardless of whether either or both have achieved their majority, can contract for a loan with a bank or savings and loan institution whose home

office is in New York for real property which they occupy or intend to occupy.

(9) An infant of 16 years or over may not disaffirm a contract for a loan or credit obtained from a New York bank or from the University of the State of New York for educational expenses at an accredited institution within or without the State of New York.

(10) An infant of 15 or more may contract for life insurance upon his life or upon a person whose death might cause him a financial loss.

(11) If an infant fraudulently mistates his age, this does not prevent him from using infancy as a defense to a contract made with an adult. But, an infant is liable for his torts and may be held liable in a tort action for deceit.

(12) Contracts of persons who have been declared insane by a court of law are void. (Adjudicated insane).

(13) If a person is of unsound mind but he has not been declared incompetent by a court, his contracts are voidable on his part; he may affirm the contract when he regains his reason; or his heirs or representatives may elect to affirm the contract.

(14) A contract by an infant to render services as an actor, role player, artist, etc. is binding provided that the infant resides or is to perform in New York and provided further that the Supreme Court or Surrogate's Court approves the contract. If the infant is over 18 or emancipated, parental approval is not required. This approval may be revoked by the court if the well-being of the child is adversely affected.

(15) If a person is intoxicated to a degree which makes him incapable of understanding his acts, he may not be held liable on a contract.

(16) The civil rights of a convict who has been sentenced to a term in a state prison for a period less than life are suspended during the term of the sentence. Under these circumstances, he cannot bring a court action.

(17) A convict sentenced to life imprisonment is civily dead. But a complaint in an action on behalf of the convict after sentencing may be brought by a committee acting in his behalf.

(18) After a war has been declared, contracts between citizens and enemy aliens are void.

c. Consideration

(1) As a general rule, the maxim which states that "You can't get something for nothing" is applicable to contract law.

(2) To consummate a legally binding bargain, the promisor, (the one who makes the promise) must receive something of value from the person to whom the promise is made (the promisee). The thing given in return may be either:

(a) A promise (promise for a promise) (bilateral contract)

(b) An act (promise for an act) (unilateral contract)

(c) Forbearance from doing what one has a legal right to do.

(d) Doing something one is not legally bound to do.

(3) Courts generally do not inquire into the adequacy of consideration. This is left to the parties to the bargain. Nevertheless, a court may refuse to enforce an unconscionable contract or it may enforce those parts of a contract which are not unconscionable. (See Uniform Commercial Code, Sect. 2-302)

(4) The following have been considered sufficient consideration to enforce a promise given in exchange:
   (a) A promise not to bring legal action in the courts for a fixed or reasonable time.
   (b) A promise not to smoke or drink for a given time.
   (c) A promise not to file a petition in bankruptcy against another.

(5) An agreement which contains a promise by one party to perform that leaves the other party free to perform or not cannot be enforced.
   (a) A contract which binds both parties but which contains a cancellation clause is valid.

(6) If Smith repairs Randolph's new car without having been asked to do so, Smith cannot collect from Randolph even though Randolph orally promised compensation. This principle may be stated as follows:
Past consideration is not sufficient to support an oral promise.
   (a) However, if Randolph's promise was in writing and signed by him and this promise stated the amount of the consideration, Smith could collect.

(7) A written or published promise to pay a reward is enforceable even though the finder is under an obligation to return the lost article. This is a statutory provision which bars lack of consideration as defense by the person offering the reward. (See General Obligations Law, Sec. 5-1113. McKinney's Consolidated Laws of New York.)

(8) A discharge in bankruptcy cancels a debt. But, the bankrupt may revive the debt if he states his intention in writing without reservation. Under these circumstances, the bankrupt cannot use lack of consideration as a defense for refusing to pay the revived debt.

(9) An employer cannot enforce an agreement with his employee which releases the employer from liability for injuries during employment.

(10) A person who promises to contribute to a charitable institution can be held to his promise if the charitable institution has relied on the promise (making plans to build, acquiring property on which to build, etc.). This is known as the doctrine of promissory estoppel.

d. Legal Subject Matter

(1) As a general rule, parties to an illegal agreement cannot get the help of the courts to enforce this agreement.

(2) Illegal agreements include:
   (a) Agreements to commit a crime or a tort.
   (b) Agreements against public policy.

(3) Ordinarily an illegal agreement is VOID; but there are some exceptions, as follows:

(a) Money or other valuable consideration given for an act which has not been performed may be recovered if the person who offered the consideration repudiates his offer.

(b) If one party to the agreement is less guilty than the other and if the public interest is served by enforcing the agreement, the less guilty party may be able to enforce the agreement. Examples would include agreements resulting from coercion, fraud, etc.

(c) If an agreement contains several parts which are divisible, the court may enforce those parts which are legal.

(4) If one party agrees to commit any one of the following acts, the agreement ordinarily would be unenforceable.

(a) Illegal lobbying.

(b) Bribing a public official.

(c) Paying a "kickback" to a purchasing agent for a private firm.

(d) Soliciting bets on a race (but, pari-mutuel betting at racetracks is legal.)

(e) To "fix" a prize fight, bribe a ball player to throw a game, etc.

(f) To commit libel, slander, fraud, murder, etc.

(g) To charge more than the legal rate of interest (But many states have passed laws which permit lenders to charge much higher than the legal interest rate and thus have legalized rates of from 9% to 36% per annum and higher.)

(h) Delivery of liquor without a license.

(i) Work performed by an unlicensed plumber, doctor, real estate broker, dentist, detective agency, etc.

(5) Generally, if both parties are equally guilty (in pari delicto) the courts will not interfere if the agreement has been carried out. The courts will "leave the parties where they find them." Thus, where a merchant advanced money to a middleman to bribe an agent of another, there could be no recovery by the merchant.

(6) Contracts containing clauses which unreasonably restrain trade are unenforceable.

(a) The test of unreasonableness: where restraint is unlimited as to time and/or space. (EXAMPLE: An agreement by a retail drug business in New York State for the next 30 years.)

(b) Contracts containing a clause not to enter the same business for a reasonable time or within a reasonable geographical area may be enforceable.

(7) Generally, price-fixing agreements are unenforceable, but manufacturers may enter into agreements with distributors and/or dealers not to sell below a set price. These agreements have been held to be enforceable. (Feld-Crawford Act)

e. Form

(1) Generally, oral contracts are enforceable. But there are important exceptions resulting from (a) various statutory enactments and (b) agreements between contracting parties which require that the terms of a contract be reduced to written form.

(2) The statute which has had the greatest impact in determining the form of contracts has been the Statute of Frauds. The real purpose of these enactments is to prevent fraud by requiring that some agreements must be in writing to be enforceable -- rather than by relying on witnesses alone to provide evidence as to the terms of the contract. The following are examples of contracts that must be in writing, but again there are exceptions which are noted in No. 3, below:
   (a) Contracts not to be performed before the end of one year from the date of making.
   (b) Contracts for the sale of real property.
   (c) Contracts of guaranty and suretyship.
   (d) Promises of executors and administrators to be personally liable for estate debts.
   (e) Contracts in consideration of marriage.
   (f) Contracts for the sale of personal property amounting to $500 or more.
   (g) Agreements not to be performed before the end of a lifetime.
   (h) Contracts to establish a trust in real property.
   (i) Subsequent or new promise to pay a debt outlawed or discharged by bankruptcy or statute of limitations.
   (j) Negotiable instruments.

(3) With reference to No. 2, f. above, a writing is not required if:
   (a) The goods are specially manufactured for the buyer and are not suitable for sale in the ordinary course of the seller's business; or
   (b) If the purchaser admits in his pleading or testimony that a contract of sale was made; or
   (c) Payment and acceptance has taken place; or
   (d) The goods have been received and accepted.

(4) The sale of securities is covered by a separate statute of frauds. (See Uniform Commercial Code, Sect. 8-319)

(5) The "writing" required under the Statute of Frauds need not be in any particular form; a memorandum or series of written communications, i.e., letters, telegrams, notes, etc. which indicate that a contract of sales has been made is sufficient.

(6) Written evidence may not be contradicted by oral evidence but oral evidence may be introduced to explain the terms and conditions of the contract.

Statute of Limitations

Unless the parties of the contract have otherwise agreed, the following statutory limitations of time are applicable. A court may not extend the statutory time limit. But, a statute may prescribe the extent to which the time may be shortened by agreement. (See No. 2, below)

For the layman, it is important to be familiar with statutory provisions concerning the time limits set by legislatures for enforcing his legal rights. As a practical matter, legal action should be started promptly after a cause of action accrues or is discovered. Failure to act may result in the loss of legal remedies.

(1) An action upon a contractual obligation -- other than contracts of sale must be started within six years from the time the cause of action accrues.

(2) An action for breach or contract for the sale of goods must be started by the contracting parties within four years. By agreement this may be reduced to not less than one year, but it may not be extended.

(3) An action for breach of warranty which results in injury to property or person must be started within four years.

(4) An action upon a bond or note secured by a mortgage on real property must be started within six years.

(5) An action to recover a chattel must be commenced within three years.

(6) An action to recover damages for personal injury or injury to property must be commenced within three years.

(7) An action to recover for malpractice by a physician, surgeon, or lawyer, must be started within three years.

(8) An action to recover for damages resulting from fraud, slander, libel, or false imprisonment must be started within one year.

(9) Other statutory limitations of time may be for periods less than one year -- even as little as ninety days. The lesson to be learned by the layman is obvious - prompt action, including consultation with a reliable attorney, is indicated.

NOTE: Special statutory limitations of time are applicable to the prosecution of crimes. In the case of murder, or kidnapping, there is no limitation of time. For most misdemeanors, the statute of limitations is two years; for felonies, the limitation is five years.

2. Negotiable Instruments (Commercial Paper)

A negotiable instrument may be defined as an unconditional order or promise in writing to pay a sum certain in money at a fixed or definite time and signed by the maker or drawer. There are several kinds of negotiable instruments:

a. Promissory notes: one party, the maker, promises to pay a sum of money to another party, the payee, or to his order or bearer.

b. Bills of exchange: consist of a written order addressed or signed by one party, the drawer, to another party, the drawee, requiring the latter to pay a third party, the payee, on his order, a sum of money.

(1) Drafts - domestic or foreign

(2) Checks are bills of exchange drawn on a bank

(a) A cancelled check is a legal receipt.

(b) A stop payment order is issued by the drawer to the drawee (bank).

(c) A cashier's check is drawn by the bank on itself.

(d) A certified check is a check which the bank guarantees for payment.

(e) The death of a depositor gives the bank 10 days in which to certify his outstanding checks.

c. Certificates of deposit -- an acknowledgment by a bank of receipt of money with an engagement to repay it plus an agreed rate of interest.

d. The words of negotiability are "to order" or "to bearer". Negotiability is not affected by:
   (1) Missing date
   (2) Antedate or postdate
   (3) Pencil written or typewritten
e. An endorsement is the signature by the holder on the back of the instrument:
   (1) Blank
   (2) Full or special
   (3) Restrictive
   (4) Conditional
   (5) Qualified

3. Taxes
   a. "Taxes are what we pay for civilized society." - Justice Oliver Wendell Holmes, Jr.
   b. Each citizen of the United States with earnings of $600 or more in any given year usually is required to file both a New York State and Federal income tax return.
   c. Free tax assistance is available to all U.S. taxpaying citizens.
   d. Tax returns must be filed no later than April 15 to avoid a penalty payment.
   e. The New York State returns are based upon figures obtained on the Federal form.
   f. Taxpayers with under $5000 income have an option of filing the short form (card) return, or the long form, depending upon the deductions they wish to claim. If income is over $5000, the long form must be used. Married couples and heads of households have other options.
   g. Fraudulent reporting or refusal to file when required is a criminal offense and is punishable by fine or imprisonment or both.
   h. The Federal Government and New York State depend primarily upon income taxes for revenue.
   i. Local governmental units may levy other types of taxes for their revenue:
      (1) School districts: real estate taxes.
      (2) Cities, villages, and towns: real estate taxes.
      (3) Cities: sales and income taxes.
      (4) Counties: sales and real estate taxes.
   j. The Federal Government also levies excise taxes on some luxury goods and services, inheritance taxes on the estates of deceased persons, and social security taxes on most wages.

4. Wills, Estates & Bankruptcy
   a. The function of a will is to properly plan the distribution of property after one is deceased.
   b. A will should be written with the aid of an attorney, since an improperly drawn will may be contested.
   c. In New York State, a will must be witnessed by at least two persons of 18 or older.
   d. The property of a person who dies without leaving a will is distributed by an administrator who is appointed by the local Surrogate Court.
   e. A witness to a will cannot by law be a beneficiary to it.
   f. Writing a new will cancels any prior wills.
   g. Intentionally tearing, obliterating, or destroying a will automatically revokes it.

h. Wills should be reviewed periodically with one's attorney and may be amended by a codicil.

i. Every person of the age of 18 years or upwards, of sound mind and memory may by will dispose of real and personal property and exercise the power to appoint an executor of such property.

BANKRUPTCY

a. Insolvency realtes to the inability of a person to pay his debts as they become due.

b. Bankruptcy indicates an excess of debt over assets or long term ability to pay.
   (1) Voluntary bankruptcy is brought about by the debtor's own action.
   (2) Involuntary bankruptcy is initiated by creditors.
   (3) Bankruptcy proceedings come under the jurisdiction of a Federal District Court which appoints a referee to dispose of the debtor's property.
   (4) The purpose of the proceedings is to clear away all debts that cannot be paid and enable the debtor to begin anew.
   (5) An individual cannot petition for bankruptcy more often than every six years.

5. Legal Aid for the Consumer

a. Many private and public agencies have been created to help the consumer make wise decisions in the market-place.

b. The consumer should familiarize himself with the laws which are passed for his protection, on such areas as:
   (1) Unfair trade practices.
   (2) False and misleading advertising.
   (3) Unfair pricing methods.
   (4) Misbranding and mislabeling.
   (5) Selling used articles as new.
   (6) In addition, the government has established standards of weight and quality, licenses many businesses, and promotes better sanitation and traffic safety facilities.

c. While the government and private business have done their part in trying to improve the lot of the consumer, the consumer himself should weigh the following regarding his own personal affairs:
   (1) Legal trouble like most trouble is easier to prevent than to cure, and cheaper as well.
   (2) Check with your family lawyer when your status changes: change in age, marriage, children, buying a house, divorce or death; such changes often require revision in wills, insurance, or taxes.
   (3) Before you buy or sell, look out for the flaws in the papers before you go into debt, part with money, or sign anything involving large expenditures, or long-term obligations.
   (4) Before you enter into other contracts, remember that promises spoken or written can bind you if they call for something of value in return, but salesmen's promises are unenforceable.
   (5) If someone threatens your rights, the law exists to defend them, but often you must take action yourself to make them work for you.
   (6) Give your attorney all the facts, not just what you want him to know. He is sworn to confidence and cannot

very well assist you if all of the information is not at hand.

II. SUGGESTED VOCABULARY

A. Contracts

breach
general offer
option
acceptance
reasonable
qualified
involuntary servitude
offeror
insanity
infants
necessities
torts
real estate
derangement
void
consideration
debtor
judgement
defraud
bribery
compounding
forfeiture
competitive
latent
warranty
caveat venditor
undue influence
unilateral
perjury
suretyship
administrators
bankruptcy
liability
nominal damages
specific performance
promisor
promisee
invitations to trade
offeree
binding
revocation
injunction
close corporation
competent
avoid
majority
disaffirmance
conditional sales contract
assent
voidable
statute of limitations
creditor
restraint of trade
fiduciary
usurious
adulterated
lobbying
misrepresentation
caveat emptor
duress
coercion
statute of frauds
guaranty
executors
estate
arbitrate
alteration
liquidated
lease
bill of lading
insurance policy

B. Negotiable Instruments

unconditional
drawer
bills of exchange
payee
certified check
bill of lading
maker
promissory note
drawee
cashier's check
negotiability

C. Taxes

itemized deductions
criminal offense

revenue
excise tax
levy
inheritance tax

D. Wills, Estates, and Bankruptcy

beneficiary
deceased
devise
insolvency
jurisdiction
petition
surrogate court
codicil
bequest, bequeath
assets
referee
devise

ECONOMIC ATTITUDES AND ABILITIES

A. Attitudes to be developed:

1. It is important that all parties to a contract should be aware of their respective obligations.
2. One should very carefully read a contract before signing it, and if one does not understand what one is reading, obtain some legal advice.
3. Checks and credit instruments are important and are helpful to the consumer if properly used.
4. Taxes are a payment for services rendered by the government. Some of these services are vital to the survival of the community.
5. Wills are designed to protect the wishes of the maker and the rights of his heirs.
6. Bankruptcy gives one a chance for a new financial start, but sacrifices present material possessions.

B. Abilities to be developed:

1. Make sure that the other parties to the contract understand your intentions.
2. Do not enter a bid at auction unless you know what you are buying and are prepared to pay for it.
3. Read the "fine print" in the contract and understand your obligations.
4. Understand that infancy is a shield and not a sword.
5. Do not enter into a contract that appears to be of questionable nature, or with someone you are hesitant about.
6. Know of the merchant's policy concerning returns of merchandise.
7. If the contract is one which must be in writing to be enforceable, write it properly.
8. Understand that breach of contract does not automatically excuse one from performance, because the other party may convince a court that you should be compelled to conform.
9. Know the proper methods of writing checks and other negotiable instruments.
10. Know that legal counsel is very helpful and reasonable in preparing a will.
11. If your financial obligations force you into bankruptcy, be prepared to face your creditors honestly.
12. Be aware of all of the various agencies formed to protect the consumer from the various frauds and cheats who will be working diligently to take your money dishonestly.

IV. ACTIVITIES

A. Individual Projects

1. Have students bring in newspaper clippings telling about contracts, to be used in scrapbooks or for bulletin boards.
2. Ask a pupil to make a report on "The Ownership of Real Property by Minors in New York State."
3. Report on the importance of magnetic ink characters at the bottom of the check, and how the bank uses them.
4. Have students prepare a report on the licensing requirements for various and sundry businesses of their community.
5. Examine various subscription forms available to determine whether the wording includes a recitation of considerations.
6. Collect newspaper clippings depicting cases of defective agreements and discuss these with the class.
7. Have a student go to a railroad station and get bills of lading.

B. Small Group Projects

1. Have students go to the bank and obtain various credit instruments for class discussion.
2. Develop a bulletin board showing certified, cancelled, and cashier's checks.
3. Illustrate and discuss the various kinds of checks in use today. Use a panel of students.
4. Develop a bulletin board display showing remedies which have resulted in the face of contract breach.
5. Obtain other tax forms from the local post office or bank and use in class to illustrate several ways in which forms are used.
6. Illustrate and discuss the various types of endorsements. Use a panel of students.
7. Prepare a bulletin board showing a copy of a prepared will, and also the distribution of property of a person who has died without making one.
8. Have a student committee visit the various types of lending institutions in the community and compare rates of various types of loans.
9. Investigate the licensing requirements for certain businesses in the community.
10. Assign to a small group the project of interviewing members of the local merchants association to determine what their loss experience has been in dealing with minors. Report to class.
11. Another group can be assigned the project of bringing into class various advertisements, letters, or circulars which appear to be offers.
12. Introduce in small group discussions the meaning of the Uniform Commercial Code and its importance in codifying all of the various state laws into a more uniform and standardized form.
13. In small groups, overlays depicting the obligations of parties to a contract can be prepared and shown to the rest of the class.

C. Large Group Project

1. A field trip to Surrogate Court will show students how wills are probated.
2. A field trip to Federal District Court will show students how such estates are handled.

3. Plan a field trip to the Small Claims Court or to Supreme Court to let students see the judicial process in action.
4. Plan a field trip, if possible, to the nearest district tax office of the State or Federal government to see what happens to the return after it is filed.
   NOTE: See "Field Trips,", Consumer Purchasing Unit I.

D. Resource People

1. Have an attorney come in and speak to students about the availability of such aid and the various agencies which have been created to protect them.
2. Someone from the city or county health department could be invited to speak on enforcement of health regulations.
3. Invite a local tax accountant to speak to the class on tax filing procedures.
4. Try to get a capable attorney to come in and discuss with students why it is advisable to hire a lawyer to complete some contracts.
5. Have an attorney come in and speak on the importance of having a properly drawn will.
6. Invite an attorney or referee in bankruptcy to speak to the class on bankrupt estates.
   NOTE: See "Use of Resource Persons," Consumer Purchasing Unit I.

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Handbook of Landlord-Tenant Procedures and Law, A. N.W. LeBlanc, Associate Director, Legal Service Unit, Mobilization for Youth, Inc., 214 E. Second Street, New York 10009.

Have You Made Your Will? Provident Mutual Life Insurance Company of Philadelphia, 46th and Market Streets, Philadelphia. 12pp. free.

How to Avoid Financial Tangles. 1966. American Institute for Economic Research, Great Barrington, Mass. 01230. 126 pp. $1.00.

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C. Sources of Free Materials

In addition to all sources previously mentioned in the Bibliography of Pamphlets, and sources cited in the preceding units of instruction, mention should be made of the American Bar Association, Washington; New York State Bar Association, Albany; and the various county associations. These organizations will not only supply classroom quantity supplies of legal aids, but also serve the teacher in offering speakers on various topics.

D. Films

Bankruptcy Court in Action
Wayne State University, A/V Production Center, 680 Putnam Street, Detroit 2. Bankruptcy proceedings and legal problems involved through a series of mock trials.

Before the Day 15 min. b&w
U.S. Department of Health, Education, and Welfare or local Social Security Office. 1960. free loan. Gives an account of the founding of several programs that make up Social Security and of the process through which a social security check goes before reaching the recipient.

Federal Taxation 15 min.
Coronet. Rental. 65 East South Water Street, Chicago 1, Illinois. Explains personal and corporate income taxes.

Helping the Taxpayer. 15 min.
Association Films, Inc. Three case studies which show what happens when the government questions your tax return.

It's Later Than You Think 5 min.
New York State Bar Association, 99 Washington Avenue, Albany 12210. A lawyer illustrates to a husband and a father what would happen to his family if he were to die without a will.

Property Taxation 10 min.
Encyclopedia Britannica Films, 1150 Wilmette Avenue, Wilmette, Illinois. Rental. What is property taxation and how are assesments and levies computed?

What Is a Contract?
Coronet, New York State Department of Commerce, Albany, New York.

You and Medicare. 27 min. color
U.S. Department of Health, Education, and Welfare, Social Security Administration. How Medicare helps solve the financial problems created by unexpected illness.

E. Filmstrips and Transparencies

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